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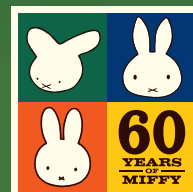
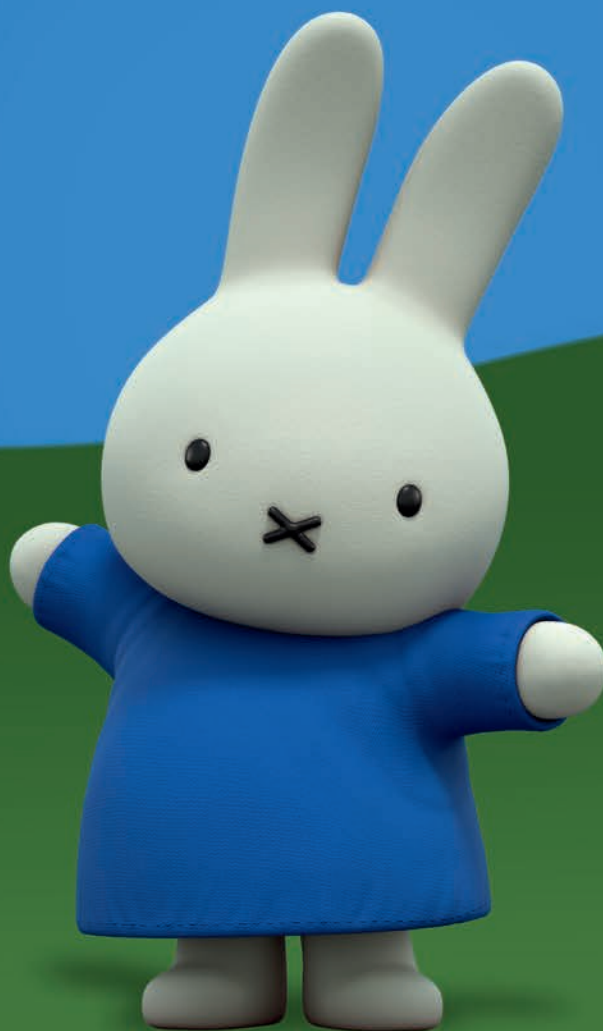


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A promotional poster for the animated film 'The Adventures of LA and ZY'. At the top, Jackie Chan is depicted in a dynamic, mid-air pose, wearing his signature yellow jumpsuit and black hat. He has a confident, slightly mischievous expression, winking with his right eye. His right leg is extended upwards, showing the sole of his shoe which has 'COMING 2016' written on it. He is holding a small, white, cat-like character with pink accents (LA) in his left arm. Below him, another small, white, cat-like character with black and grey markings (ZY) is shown, holding a hamburger. The background is a vibrant, colorful gradient of blue, green, and yellow, suggesting a bright, energetic environment.

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The New Dogs in Town

AwesomenessTV's Jiff joins
pack of IPs debuting in Vegas



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Licensing Show

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Cover Our cover features an ad for iconic Mercis Media preschool property Miffy's brand-new CGI series *Miffy's Adventures: Big and Small*, while our inside editorial cover sports an image of Jiff the Pomeranian, AwesomenessTV's newest consumer products star.




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Source: 2015 Harris Poll EquiTrend Study



Bentonville bound

Unlike those of you on the CP side of the business, I really have never had a reason to make the trek to Bentonville. That sleepy town of 40,000 in the Northwest corner of Arkansas is synonymous with the home of Walmart. And it's also where dreams of licensing glory are either realized or dashed very quickly. Well, I am a Bentonville virgin no more.



Last month, I traveled to Walmart's hometown to speak at the first-ever Bentonville Film Festival. Sponsored by Walmart, and organized in conjunction with the Geena Davis Institute on Gender in Media, the event was designed to champion women and diversity in film—both in front of and behind the camera. My panel, on which Geena Davis also sat,

looked at the changing nature of kids' media consumption and the role of creators, producers and advertisers in meeting the entertainment needs of modern-day kids. I also served as a last-minute moderator for a panel on digital storytelling. Imagine my surprise when I learned DreamWorks CEO Jeffrey Katzenberg was joining it—about 30 minutes before showtime. In both cases, I did not break out into a flop sweat, and even managed to keep Mr. Katzenberg from exiting the panel before it had ended. (I don't think he gets told to sit down very often.) Perhaps even more remarkable, I got to hear a few Walmart executives share their views on this business.

Walmart VP of media, digital and partnership marketing Wanda Young spoke on my panel. What was interesting is that she lamented the fact that there were not enough opportunities to place ad buys around true family entertainment in the US. Moms remain the key consumer in most households, and the retailer is continually looking for ways to connect with them. And parents are now looking for ways to share entertainment experiences with their kids, if only to pry them away from their smartphones and tablets for awhile. So, producing more family-friendly movies and TV series should be a no-brainer. Yet, here is a representative of arguably one of the most powerful forces of consumerism in the US contending that there's not enough out there for Walmart's liking. On the storytelling panel, Julian Franco, a head executive at Walmart-owned VOD service Vudu, made similar observations. He said he was looking at the festival as a starting point to pick up more gender-inclusive family entertainment for the primarily rental-based streaming service. Franco also said—although he would not completely confirm—that Vudu was considering commissioning originals in this space to meet what he sees as a significant market demand.

So there you have it. Walmart sees value in family-oriented content and wants more. On the closing night of the festival, its execs also spoke of how they were looking forward to hosting the event next year and expanding it to cover all forms of content, including television. So who knows? Maybe it really is a case of "If Walmart builds it, they will come."

Cheers,
Lana

P.S. For those of you wondering, yes, of course I made the pilgrimage to the Walmart Museum. Beyond admiring the '50s façade of the first Walton five-and-dime store that started it all, I had just one question. What was that rifle doing sitting in the corner of Sam Walton's perfectly preserved office?

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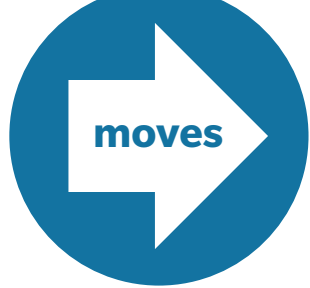
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The List

Five things on our radar this month



KIDSZONE

1 Big telecoms make kids programming push

The rapidly changing viewing habits of kids and families continue to impact more traditional cbsat carriers looking to keep up with the Netflixes, Amazons and YouTubes of the world. In May alone, three telecom giants—DirecTV, Comcast and Sky (UK)—rushed to bolster their digital libraries and OTT services, announcing major investments in the digital kids space. Comcast, the largest cable TV provider in the US, unveiled Kids Zone, a new kid-safe curation feature on its XFINITY X1 platform that provides more than 8,500 on-demand kids titles. Then European pay-TV leader Sky came out with a plan to grow its children's on-demand library from 700 to 4,000 titles (a 600% increase) through deals with the likes of Viacom, Turner and BBC Worldwide. Not to be outdone, top US satellite TV provider DirecTV launched DIRECTV Kids, a free iOS app featuring content from Nickelodeon, Cartoon Network, Sprout and Disney. While the moves are a plus for kids and parents, we do not envy the deal-making headaches about to beset rights holders and distributors working in the kids content space.



2 Muppet mania

Jason Segel's 2011 *Muppets* movie reignited the popularity of Kermit and the gang. But now that ABC has greenlit a Muppet Show TV reboot done mockumentary-style à la *The Office*, the Muppets fandom may soon reach Animal-like levels of excitement. Until then, the fuzzy foam ones are wasting no time tapping current viewing trends by partnering with YouTube stars and starring in Disney Junior's newly launched short-form series *Muppet Moments*.



3 Road to recovery?

Mattel is pulling out all the stops to make good on CEO Christopher Sinclair's promise of a "rapid turnaround" for the toyco. Since April, Mattel has partnered with Quirky to crowdsource the next hit toy, teamed up with Autodesk for a new line of 3D-printing products, and moved into the girls action figure category for the first time with a global master toy license for the DC Super Hero Girls franchise. So, what's next? Maybe Hello Barbie has the answer.



4 #toylikeme goes viral

Led by three UK moms who either have children with physical disabilities, or their own challenges, the #toylikeme social media campaign has been creating quite a buzz. The idea is to encourage the toy industry to make dolls that positively represent individuals with physical disabilities. While small toyco MakieLab has been quick to answer the call, larger ones have stayed mum. Can a hashtag incite social change? #That'sTheBigQ



5 Clocking in

Parental-control offerings quickly made their way onto the new Apple Watch. With apps from Nickelodeon and PBS KIDS, parents can now remotely monitor their kids' screen time. But this is just the beginning. Down the road, consumers could be using the smart watch to locate their kids or track their fitness levels. With countless applications yet to be invented, it's a whole new world for kids app developers.

➔ To keep up with the news as it happens, check out Kidscreen.com daily.



Despite early aspirations in fashion, **Jill Wilfert's** professional career began with Lego. She joined the Danish toymaker straight out of university and 27 years later, her passion for the brand is as strong as ever.

When the bricks fall into place

The gig Lego Group VP of global licensing and entertainment, helping to grow the company's licensed product portfolio and leading development of Lego's entertainment and long-form content strategy.

Horsin' around One of Jill Wilfert's earliest disappointments in life came after her family moved from Michigan to just outside of Dallas, Texas when she was 10. "I was obsessed with horses at the time, and my perception was that I would get a horse when we moved," says Wilfert. "But I found out when I got there that I was deathly allergic to horses."

Despite the early heartbreak, Wilfert's childhood was a happy time. She loved her Crissy doll (the one from Ideal that would grow a ponytail when you pressed its bellybutton) and Saturday morning cartoons like *Looney Tunes* and *The Jetsons*.

Growing up, Wilfert wasn't aware a person could have a career in kids entertainment, and despite her love of TV and movies, her first strong interest was in fashion. "My dad was an early inspiration for me," she says. He was an assistant manager at a ladies' clothing store who worked his way up to VP of operations for a retail chain. "He used to bring me to work with him on Saturdays, and I would help him untangle the necklaces and do little jobs."

Wilfert's interests eventually shifted to marketing, and after graduating from Liberty University in Lynchburg, Virginia, she had to decide on a career in fashion or something else. "I was looking at buyer or operations jobs in the fashion industry, but through marketing I became more interested in brands, too," she says. "At this point, my parents lived in Connecticut, where Lego's US headquarters are, so it popped up on my radar."

In 1988, Wilfert applied for an entry-level job in Lego's consumer services department and got her foot in the door. "It was such a good foundation to understand the products, the brand and how people felt about them," she recalls.

Relationship-building Wilfert says one of the biggest job challenges she faced was convincing people internally and externally that creating stories and characters tied to Lego could make sense. "We overcame this by building relationships with people. Cartoon Network believed in us early on, and once people began to see how we could deliver quality content, things changed. Then *The Lego Movie* really changed people's perceptions," she says.

Wilfert, who now resides in southern California with her husband and three sons, adds that a big career moment for her came when Lego was looking at licensing opportunities around Star Wars in the late '90s. "The role I played very early on was to ensure we were all on the same page. People within Lego were shocked when they first heard we had to submit products to be approved by Lucasfilm," she says. "We had to create relationships based on mutual value. That role paved the way for me to get involved in other areas, particularly entertainment and licensing."

On the horizon Looking ahead, Wilfert is excited to have several movies in development, but the challenge will be to top Lego's previous critical and commercial successes. "Whether it's in the TV or movie space, or with a product like Dimensions, being able to exceed people's expectations is always the goal." —Jeremy Dickson



Wilfert hopes the next Lego movie will exceed people's expectations

Obsessed

What can't you get enough of right now?



Eva Lorenz

GM, toys and games, Amazon.com

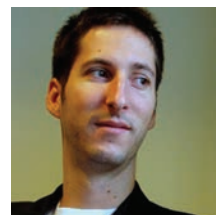
I am absolutely loving **STEM** toys, particularly the ability for kids to learn and play at the same time. It's also all about **Star Wars** this year...the enthusiast in me is definitely emerging!



Oren Jacob

Co-founder and CEO, ToyTalk

My latest obsessions include mods for **Minecraft**, **alpacas**, the **offside trap in soccer** and **Mythbusters**. My family also spends a lot of dinnertime conversation trying to **name a country in every time zone**.



Laurent Mascherpa

Co-founder and CEO, Floop

I'm currently obsessed with the **adoption of mobile worldwide**, especially in places where electricity, TV and computers aren't available. There are opportunities to help those people improve their condition using **mobile storytelling**.

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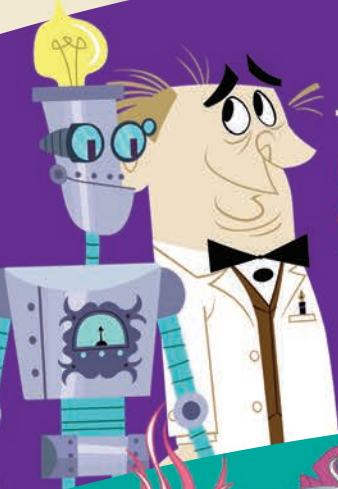
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which previously saw him age into his teens and introduce scores of aliens and villains, will go back to the starting line.

"This is more about a global reset," says Cartoon Network president and GM Christina Miller about the franchise's rebirth, which will be unveiled at Licensing Show. "Part of it is understanding current audiences and giving them a version of Ben that they can participate in, evangelize, and really make their own on multiple platforms."

So key to remaking the franchise—which has aired in 178 countries and includes four different TV series and two live-action movies—is aligning it globally. The Emmy-winning property has often been broadcast at different points in its lifecycle across various regions. For instance, while kids in the US could have been watching *Ben 10: Ultimate Alien* (2010-2012), kids in Brazil might have been into *Ben 10: Alien Force* (2008-2010). This is one of the reasons why the franchise has had a longer lifespan and been a top performer in many LatAm, EMEA and APAC countries, while it has been shelved domestically in anticipation of the upcoming remake. Moving forward, the plan is to launch content and core licensing categories like toys and interactive across all global regions simultaneously, with a fully coordinated approach.

New digital and mobile products will also support the show's initial TV launch, and Cartoon Network is working on developing a full-breadth consumer products program targeting all levels of retail. Products from all key categories are planned to launch at retailers everywhere in fall 2017 when new master toy partner Playmates Toys rolls out a its Ben 10 range. (Secondary categories like apparel are more regional in nature, and CN's international licensing teams will work to secure the best partners for their specific markets to complement and work in tandem with its global partners.)

If the past is any indication, Cartoon Network can expect big things in the toy market, where its previous master toy partner Bandai sold more than 100 million units of Ben 10 toys. Miller notes that Bandai had been key to the brand's retail success for the past decade or so, but she explains Cartoon Network decided to appoint El Segundo, California-based Playmates to bring in a fresh perspective and to help drive innovation. "Playmates has been really successful at doing that before, and we are quite excited to work with them on this," says Miller, who played a central role in creating and executing the initial Ben 10 consumer products program as SVP of Cartoon Network Enterprises.

Miller describes the second iteration of Ben 10 as a natural evolution of the property. "The creative that's coming next really speaks tonally to kids of today," she says. "There are a lot of brands in the marketplace that have changed. Cutting through the clutter is always part of the challenge, but we believe in Ben and his points of difference as things we can be successful with."

—Patrick Callan

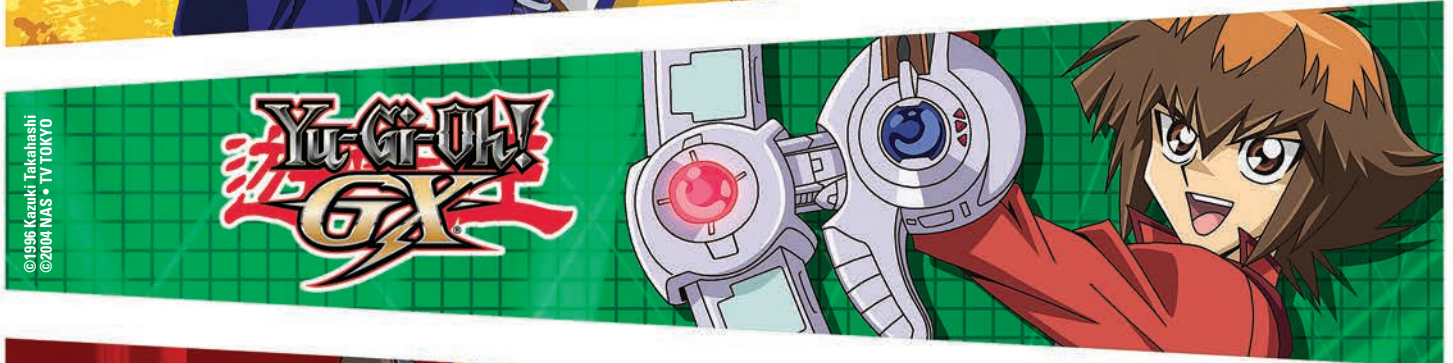
A global reset

Cartoon Network relaunches its flagship boys action franchise Ben 10

Nearly 10 years after introducing viewers to a 10-year-old boy who finds a mysterious watch that lets him transform into 10 different super-powered aliens, Cartoon Network is remaking its signature action franchise, Ben 10, with a modern look and feel.

Reimagined Ben 10 content is on the way, as CN and bi-coastal entertainment company Man of Action are co-producing a brand-new 2D-animated series (26 x 11 minutes). Slated to begin rolling out on air in fall 2016 (regions to be determined), the new series is expected to be fully launched globally by 2017. The show's new direction gives Ben a more current look, and the storyline,

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Made for the web

Celebrating its first anniversary, family-friendly YouTube channel DreamWorksTV has evolved into a powerhouse of bite-sized comedy content

When DreamWorks Animation announced it would launch a new YouTube family channel called DreamWorksTV in June 2014, the goal was to create 100% original live-action and animated short-form content made specifically for today's digital natives and their families. According to Birk Rawlings, head of DreamWorksTV (DTV) at AwesomenessTV, the channel has delivered.

Since its launch, more than 78 million minutes of content spanning 30-plus series have been watched by families. And as per independent metrics site Vid-StatsX, DTV is outperforming the YouTube pages for Cartoon Network, Nickelodeon and Disney Channel in daily subscriptions (1,066) and views (666,665), topping both categories as of April 24 this year.

Rawlings says the channel will soon surpass 500,000 total subscribers, and its worldwide public views currently stand at 330 million.

"When we started, we knew kids were on other platforms, but there wasn't a lot of content made specifically for them," says Rawlings. "Once we delivered our web-specific content, they discovered it."

The slate

Among the original series featured in the channel's lineup are animated series *Fifi: Cat Therapist*, from former Disney animator Mike Blum; a hidden camera reality show called *I Pranked My Parents* that became one of the channel's most-viewed series of 2014; and *Record Setter Kids* hosted by YouTube vlogger Jenn McAllister of JennXPenn.

As for shows starring beloved characters from the DreamWorks library of successful movie franchises, Shrek, Puss in Boots and Po from *Kung Fu Panda* each have their own vlog-format series. And recently launched talk show *Swamp Talk*, featuring Donkey and Shrek, is one of the channel's most-watched programs, with seven million views to date.

However, according to Rawlings, rapid success hasn't come without challenges. "There have been a lot of learnings and growth along the way," he says. "For me, my background is in traditional TV and features, and there is a huge learning curve in adapting to short-

form in general and to web distribution. But it's exciting being on the leading edge of whatever is next."

Creator opportunities Working in the digital space, Rawlings says DreamWorksTV has the advantage of flexibility. "While short-form is the focus, and a comedic voice is mandatory in almost all of our content, we can try things that don't fit conventional rules," he says. "For example, *Draw My Dream* features real kids who share dreams that are brought to life using stop-motion drawing and animation. It's not fundamentally driven by comedy, but we like it, so we make it."

Another advantage Rawlings points to is the channel's lack of a cumbersome development process, which benefits more experienced creators with good passion projects (like Dave Fremont and his *Public Pool* series) that haven't yet seen the light of day.

"Nothing really sits on the shelf," says Rawlings. "Oddbot is a California studio that has done a lot of impressive service work for major studios, but has never broken through with an original show. We gave them that opportunity with *Jimmy Blue Shorts*."

Hot trends Because YouTube is ultimately a search engine, Rawlings says he's not surprised by the success of shows like *Life Hacks For Kids* (9.8 million views) and *UnBox It!* (10.8 million views) that tap into currently popular YouTube trends.

The former series features DIY tips to help kids navigate life, while the latter showcases established YouTube stars like RadioJHAudrey who unwrap and review the market's hottest toys and games.

Rawlings notes that the channel's original scripted content is resonating, too. "While it hasn't always had the same type of reception, and isn't as native to the platform, it's finding an audience and performing over time," he says.

Evolution DreamWorksTV won't reveal how much revenue the channel has generated since its launch, or how much it expects to make this year, but its deal-making on the distribution front has been telling of its growth strategy. It was one of the original content partners on the new *YouTube Kids* app and recently signed (along with AwesomenessTV) a multi-year deal with US carrier Verizon to provide more than 200 hours of original OTT content.

"We're still in audience-building mode. Part of the goal is to build new IPs that can live in different forms of media, so we're investing in building an audience and a destination," says Rawlings.

—Jeremy Dickson



DIY-inspired *Life Hacks For Kids* is one of DreamWorksTV's most-viewed series

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In the swim

China's Zuru Toys makes waves as one of the fastest-growing toyco's in the world

Who Since launching just over two years ago, New Zealand-bred and Guangzhou-headquartered Zuru Toys has quickly earned a reputation as a toyco to watch. Two of its core brands, RoboFish and X-Shot Blasters, quickly experienced breakout global success in more than 40 countries. Powered by waterproof carbon-sensor robotics technology, RoboFish automatically swim when submerged in water and switch off when dry. To date, 30 million units of the brightly colored toy have been sold worldwide. Meanwhile, X-Shot Blasters has been a consistent top-seller for Zuru in the dart category, with 14 million shipments made globally in 2014 alone, and 35 million units sold to date. In terms of revenue, the family-run company reported more than US\$100 million last year, and according to co-CEO and director Nick Mowbray, revenues for 2015 are expected to top US\$150 million with help from one of Zuru's newest core brands, Bunch O Balloons. The concept, licensed from Texas-based inventor Josh Malone, was one of Kickstarter's top-funded campaigns of 2014 with close to US\$1 million raised. Officially launched at major US retailers this spring, the product's garden hose attachment allows for 100 self-tying water balloons to be filled in less than one minute. "It's going to take us to a whole new level in 2015 in terms of growth," says Mowbray.

Manufacturing epicenter Mowbray began his career as a teenager selling Zuru's very first product—a mini hot air balloon kit—door to door in Cambridge, New Zealand before moving to China with his siblings, Mat and Anna (co-CEO/founder and CFO/COO of Zuru Toys, respectively). "We've been able to grow so quickly because we're fully based in China, not just from a manufacturing standpoint, but from a design, development and engineering perspective as well," says Mowbray. "We're really able to stay on top of new and emerging trends and be faster to market than our competitors. And we're doing a ton of work on the back end because of lower costs."

Zuru now employs 750 people and has additional offices in Shenzhen, Hong Kong, the US, Australia and the UK. Mowbray says the company currently outsources about 15 brands to other factories in China, but has its own factory for X-Shot, and a brand-new entirely automated state-of-the-art factory for Bunch O Balloons.

While the company doesn't have the large SKU count of a Hasbro or a Mattel, Mowbray contends that Zuru is closing the gap on the research and development side.

"Year over year, we're getting closer. They tend to rely on their big brands more, whereas we have to rely on our innovation," he says. "We aspire to be as good as companies like Spin Master or Moose Toys in terms of creativity. We like to think that on the raw engineering, tech and development side, we're as strong, if not stronger, than a lot of our competitors."

As for marketing, advertising and reach, Bunch O Balloons currently boasts more than 1.1 billion media impressions globally, and Zuru's brands are advertised on TV in more than 85 countries, with top toy sales in Europe, Australia and Africa. Aiming to boost sales



Zuru's new core brand Bunch O Balloons is expected to be a big revenue booster in 2015

in the US, the company is also examining new ways to advertise online. "We're doing a full review of our traditional TV advertising and looking at how we can evolve it," says Mowbray.

What's next Aside from its own brands, Zuru has a growing roster of licensed products for properties such as Marvel, Teenage Mutant Ninja Turtles and Disney's Frozen. And a new deal will see Zuru launch a RoboSpongeBob toy fish worldwide this year outside of the US. Considering aquatic-themed toys were named one of the US Toy Industry Association's top trends of 2015, Zuru appears to be swimming in the right lane. —Jeremy Dickson

Know your audience

By Jim Benton



"Why the f— does this have a Parental Advisory?"

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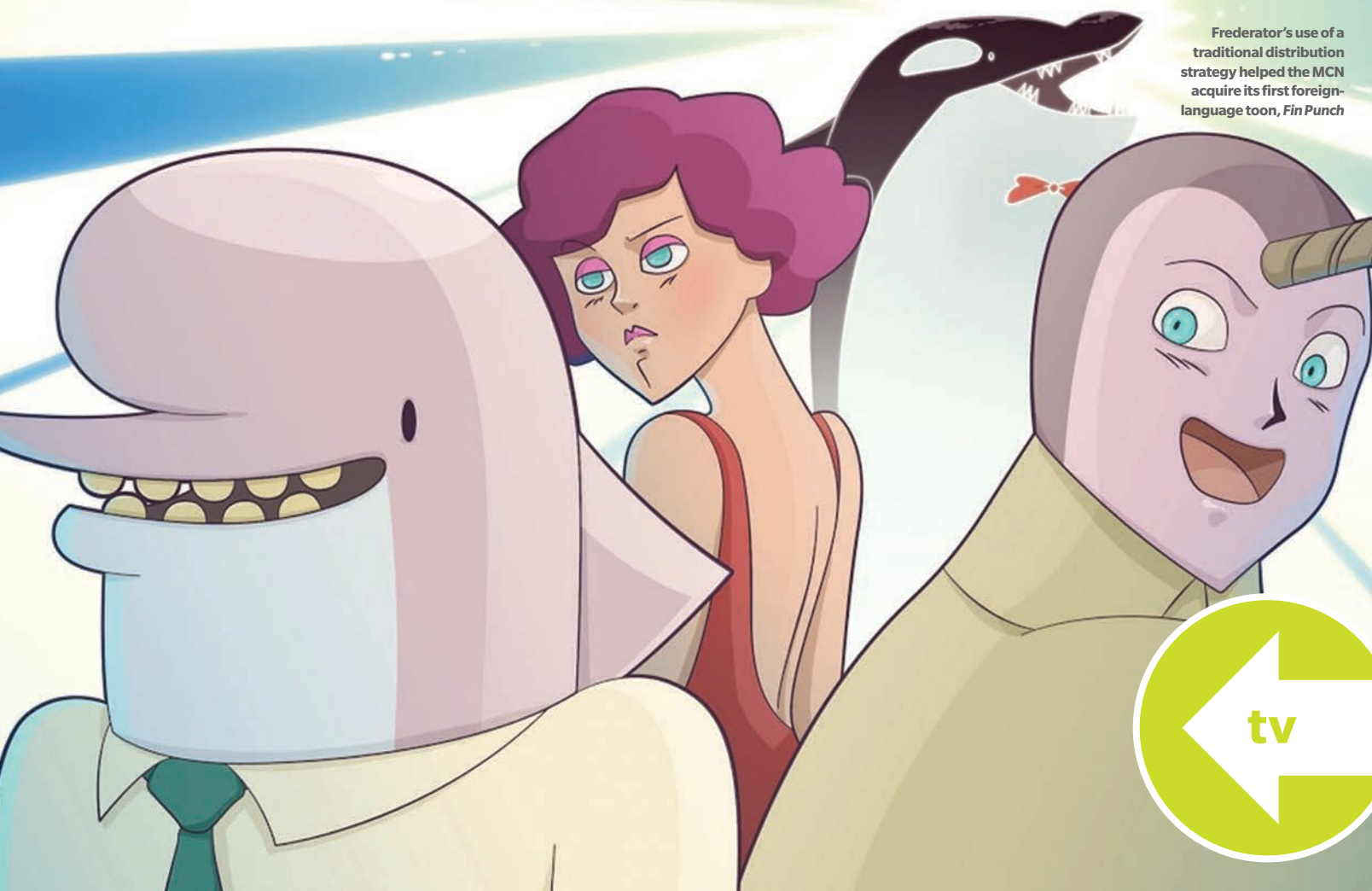
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Frederator's use of a traditional distribution strategy helped the MCN acquire its first foreign-language cartoon, *Fin Punch*



Crossing borders

Multi-channel network Frederator ramps up international acquisitions business

BY JEREMY DICKSON

In February, American MCN Frederator Networks did something it hadn't done before in its 10-year history—it acquired a foreign-language cartoon.

The deal for the worldwide rights to distribute an English-language version of the hit Chilean online series *Fin Punch*, from Marmota Studio, marks a new tactic for the popular MCN. But it's one more commonly used by traditional broadcasters and established streaming services like Netflix.

"We built our company on the strategy that everything old is new again, and whenever we see opportunities, one of the first things I do is look back over 100 years of media history and ask, 'How did people succeed?' Because, as the new world comes into focus, there are basic things that work over and over again," says Frederator Networks CEO Fred Seibert. "One company can't make everything itself, no matter how hard everyone tries. Acquired programming is a critical part of building any kind of media empire, and we have a desire to build an empire."

Launched in February on Frederator's Cartoon Hangover YouTube channel, *Fin Punch* is an 18 x one-minute

series created by Matías Latorre set in a world where marine mammals and humans co-exist. It follows a dolphin and a narwhal whose conflicting philosophies interfere with their plot to rule the world.

Landing in the US, the series joins a channel that has more than 1.8 million subscribers and nearly 15 million video views per month, when combined with Frederator's other animation-focused YouTube channel, Channel Frederator.

It's now in the same lineup as other fan-favorite Cartoon Hangover series such as Pendleton Ward's *Bravest Warriors* and Natasha Allegri's *Bee and PuppyCat*—funded by the biggest animation or web series Kickstarter campaign in history. (Although *Fin Punch* is the network's first non-English acquisition, the first big international YouTube channel to partner with Frederator Networks was Simon's Cat last year.)

Independent exposure

Seibert says despite the abundance of kids content being created worldwide, only a small percentage of it is truly independent and very little is being discovered. "We really want to give wonderful creators and producers an

opportunity for their stuff to be seen. Our acquisition, licensing and distribution strategies are all built around the idea of exposing content that doesn't have discoverability in the modern digital world," he says.

As far as deal-making goes, Seibert will not divulge numbers, but says the majority of Frederator's licensing deals are based on revenue share, rather than an upfront license fee. "It's not because I wouldn't like to give a license fee," he says. "But I just don't have a firm handle on what I think is going to be the normative audience range that would determine a fair license fee both parties would be happy with."

As a means of generating more revenue, part of Frederator's discoverability strategy includes re-packaging online shows into longer-form series to be sold for television broadcast worldwide. And its indie prodco Frederator Studios did just that by partnering with Melbourne, Australia-based Studio Moshi in February to turn the popular online short series *Rocket Dog*, from animator Mel Roach, into a 52 x 11-minute TV series.

With Frederator Studios handling TV distribution in North America, and Studio Moshi managing other territories, it's the first project from Frederator Studios' Too Cool! Cartoons incubator to be developed for traditional broadcast platforms.

TV not dead yet

Despite what Seibert calls the "clash of preconceptions" being the biggest thing creators and networks grapple with on every front, he is confident traditional broadcasters will give more online content a shot. "We know that if we tell authentic stories, eventually people will start to get it. Our bet is that we can build brand value for these programs in the online space, then syndicate traditional terrestrial television in various countries around the world based on that brand value," he says.

Expanding its animation portfolio and international programming even more, Frederator picked up preschool shows *Cloud Bread* and *Pom Pom & Friends* from South Korea's Gangwon Information and Multimedia Corporation (GIMC) in April.

Both programs are headed to Frederator Networks' new YouTube Kids channel Fredbot to reach a larger English-speaking US audience. "We started seeing other YouTube channels, such as ChuChu TV, Disney Collector and Busy Beavers, get a lot of activity. And we thought, 'Why not apply some of our knowledge and instinct to the preschool space?'" says Seibert.

Frederator continued to bolster its international partnerships in April by picking up the online channel for Aardman Animations' *Morph*, one of the UK studio's oldest properties.

If all goes according to plan and Frederator can grow the properties' audiences online new iterations of the web content may one day head to television screens in some shape or form.

"When we go to a broadcaster, we don't just go with a property, we go with the engagement and loyalty of the audience. In this world, TV looks for viewers and online

looks for loyalty. If we identify loyalty and a broadcaster wants to walk away, it's their loss," says Seibert.

Broadcast buy-in

Two broadcasters currently not walking away from online content are Nickelodeon and Disney, both of which are looking to strengthen their multiplatform strategies.

In April, Nickelodeon greenlit 20 episodes of comedy-adventure series *Welcome to the Wayne*, the network's first web-exclusive, short-form series pick-up for television.


Created by writer/composer Billy Lopez (*The Wonder Pets!*, *Phineas and Ferb*), the series first launched as six four- to five-minute eps on the *Nick App* and *Nick.com* in 2014. Its long-form TV version is expected to debut in 2016.



Welcome to the Wayne is Nick's first web-exclusive series greenlit for TV

For the *House of Mouse*, Disney Junior recently turned to popular YouTube mash-up video and music producer John D. Boswell, a.k.a. melodysheep, to create its new short-form preschool series *DJ Melodies*.

Launched April 6 on the *WATCH Disney Junior* app, *DisneyJunior.com*, the Disney Junior YouTube channel and on linear broadcast, the series features musical mash-ups created by Boswell using footage from Disney Junior series *Sofia the First*, *Doc McStuffins*, *Jake and the Never Land Pirates* and *Sheriff Callie's Wild West*.

Boswell, who is currently working on a new round of videos for the series, says there will likely be increased demand for more preschool shorts based on web and social media trends. "As kids become more immersed in the technological landscape, demand for new, cutting-edge content will grow. They will always seek things that will surprise them and make them smile, and to deliver that you need to be innovative in the content you create," he says. "Disney is clearly taking a chance on supporting new forms of content creation by engaging YouTube artists like myself. It's a sign that they are ahead of the times." 

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YTV original comedy
*Some Assembly
Required* from
Thunderbird Films
continues to
drive ratings

YTV stays in the zone

The Corus-owned Canadian kidcaster bolsters content offerings amid national regulatory changes

The challenge With the Canadian broadcasting system poised to enter a new, more consumer-friendly SVOD era, thanks to regulator CRTC's major playbook re-write in March, Corus's top-rated children's network YTV has been busy preparing for the future. But its strategy, according to Corus Kids' head and VP of television Colin Bohm, hasn't changed drastically. "We continue to see strong originals like *Some Assembly Required* and *Max & Shred* drive a lot of ratings, and obviously our renewed Nickelodeon output deal ensures that exclusive first-run Nick content will continue to air on YTV," says Bohm. "It's a brave new world and we've decided strategically to build scale in kids. It's our greatest challenge, but we believe that our recent content partnerships, combined with our own brand offering, will help us emerge from a pick-and-pay world in a healthy spot."

One of the media conglomerate's more significant new partnerships came in April when it announced a long-term, wide-ranging licensing deal with Disney ABC Television Group to launch Disney Channel in the Canadian TV market for the first time.

When asked how YTV will co-exist alongside Disney Channel once it debuts on September 1, Bohm says he's not concerned about the channels potentially competing against each other. "I don't see the fact that we will be managing Disney Channel changing anything," he asserts. "It will give us an opportunity for more complementary scheduling, depending on which shows best serve the particular needs of kids."

Multiplatform Looking ahead, YTV will continue to reach kids no matter where they are, says Bohm, pointing to the channel's website, VOD offering, and in-house and third-party developed apps and games as ways to leverage its linear programming. In addition, its new long-term deal with Nickelodeon gives Corus exclusive rights to all Nick content across digital and linear platforms in Canada. "The Nick deal gives us

a chance to really broaden that product offering. In the world of digital, we're just getting started," says Bohm.

A *TV Everywhere* app for YTV is also expected to launch this fall after Corus rolls out its first *TV Everywhere* app for its preschool net Treehouse this summer. "The apps, for the moment, will feature most of the content that is currently on linear. We have to first make sure that kids can enjoy the content we have, regardless of the screen. The secondary focus would be a *TV Everywhere* exclusive," says Bohm.

The programming Holding down the top spot as Canada's number-one kids channel targeting kids ages six to 11, YTV's lineup includes a mix of original, character-driven animation and live-action comedy series, popular shows from Nickelodeon and blockbuster family movies. Bohm says primetime live-action sitcoms continue to rate well on the channel, including YTV, Nickelodeon and Breakthrough Entertainment co-pro *Max & Shred*, as well as Nick series *The Thundermans*. For original animation, *Numb Chucks* from Toronto's 9 Story Media Group remains a hit, and Bohm foresees more success in the series' future.

As for new pick-ups, Bohm is anticipating great things for *Make It Pop*, a half-hour tween sitcom produced by Canada's DHX Media that's expected to make its YTV debut this summer. "*Make It Pop* is something a little different for us with its music angle. It really caught our eye," says Bohm, noting that Corus will be spending as much on original Canadian productions as it has in the past. "Those rules haven't changed. We need great new content for YTV and our other channels," he says.

Personal connections Another area of differentiation for YTV is its top-rated hosted school block *The Zone*, and its accompanying cross-Canada Summer Road Trip event, both of which continue to be popular with fans, says Bohm. "It gives YTV a face, engages kids directly and is a good reminder—for us—of the power of our brands." —Jeremy Dickson

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Super 4's serious fun



When Germany's Morgen Studios and French prodco Method Animation approached Germany's largest toy maker Brandstätter Group in 2013 about making the first-ever animated series based on its iconic Playmobil brand, little did they know it would mark the beginning of a unique relationship. After gaining the toyco's trust, and a France Télévisions commission, the co-producers' new adventure-comedy series *Super 4* made its television debut on France 3 last August. And since its January premiere on CITV, multiple international broadcast sales have been secured by distributor PGS Entertainment.

On-air



Content first Created by Wildseed Studios creative director Jesse Cleverly and Romain Van Liemt (*Robin Hood*), the 52 x 11-minute CGI-animated series targets kids ages five to nine. It follows a team of four original heroes—Alex the Knight, Ruby the Pirate, Agent Gene and Twinkle the Fairy—who journey to a number of distinct island nations on their home planet. Prior to acquiring the TV rights, Morgen Studios president Axel von Maydell says his company was in a good place to delve deeper into Playmobil's DNA because it previously produced two Nintendo video games and an iOS app based on the brand. However, expectations to produce a quality series that could stand on its own merits but also satisfy the toy property's millions of loyal fans worldwide, were high.

"The first thing we did was ask, 'Why do kids play with Playmobil, and why do parents consider Playmobil good for their kids?'" says von Maydell.

"We learned that when kids were playing with the knight, they were very serious about being the character, but they had a lot of fun doing it. So we developed the slogan 'serious fun' which led us through the development of the show."

One important aspect closely connected to the brand, he adds, is its inclusion of different worlds co-existing side-by-side that the characters can visit without the need of a time machine or a special portal.

"It's a unique premise for developing stories. However, by using four or five different worlds, it created a huge amount of work. We needed five times as many props, characters and backgrounds," he says.

"It was the biggest challenge, and we had a huge US\$15-million budget to close, but it gave us so many story ideas and ways to create humorous situations with characters interacting in foreign lands," says von Maydell.

Global rollout Since debuting in France and the UK, the series has been acquired by broadcasters including Radio-Canada (Canada), Cartoon Network (Italy, Latin America), MiniMax (Eastern Europe), Canal Panda (Portugal), Neox Kidz (Spain) and Netflix (US), where it debuted on April 10.

"The Netflix deal is good for us because they almost work like a classic broadcaster, and are really into content, not commercial deals," says von Maydell. "It took awhile to secure that deal because they are quite picky on European shows, but *Super 4* was one of their big new releases in April."

As the show's global audience continues to expand, an official *Super 4* website is coming soon, along with a UK-based licensing program from Playmobil in the fourth quarter of 2015, a possible feature film in 2018 and gaming concepts. "We have some strong L&M partners, but we don't want to push very hard. We'll let the brand grow slowly," says von Maydell. —Jeremy Dickson

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Pipeline

An early peek at shows on the development track

6 to 10



Gilbert and Allie Created by Bronagh O'Hanlon (*Doc McStuffins*, *Henry Hugglemonster*), this odd-couple supernatural comedy follows the story of an unpopular teenage girl whose life changes when she discovers she has secret powers. Unfortunately, her powers can only be harnessed in partnership with an ancient—and grouchy—magical rabbit who simply wants to retire. Despite being allergic to each other, the unlikely pair form a magical bond.

Co-producers: Cyber Group Studios (France), Brown Bag Films (Ireland)

Style: CG animation

Format: 52 x 11 minutes

Budget: US\$8 million

Status: In full development in Dublin and Paris, with a bible available and scripts underway. A trailer was presented at Kidscreen Summit, and discussions are ongoing with worldwide broadcasters.

Delivery: Summer 2017

Squish Based on the bestselling Random House graphic novel series of the same name created by children's authors Jennifer Holm and Matthew Holm, *Squish* follows the adventures of a comic-book-loving, twinkie-eating amoeba looking to find his place in the world of single-cell organisms while navigating grade school and family life. John Derevlany (writer on *LEGO: Legends of Chima*, *Johnny Test*, *Endangered Species*) is showrunner for the slapstick comedy series.

Producer: Cottonwood Media (France)

Style: Digital 2D animation

Format: 52 x 11 minutes

Budget: US\$6.9 million

Status: A trailer is complete, Gulli is attached, and discussions with two Canadian networks are ongoing.

Delivery: Late 2016/early 2017



6 to 11

Teen Beach 2 features more dancing, music and time travel than its hit predecessor



Surf's up

After the success of Disney Channel original *Teen Beach Movie*, its music- and dance-driven sequel is set to make an even bigger splash

Not many people can say they've worked as an executive producer on musicals featuring puppets, animated characters and humans, but that's exactly what industry veteran Michelle Manning has done.

Along with being a producer on Disney's highly anticipated *Teen Beach Movie 2*, she also did stints on *South Park: Bigger, Longer & Uncut* and *Team America: World Police*. While the *Teen Beach* world is obviously different from anything created by Trey Parker and Matt Stone, Manning's long list of credits from her 30-year career as a producer for film and television include classic teen movies *The Breakfast Club* and *Clueless*, as well as *The Addams Family* and Disney Channel's upcoming original movie *Further Adventures in Babysitting*.

"I love kids and movies for everyone because I feel like it's a market that is underserved, particularly in the feature world," says Manning. "For me, I always wanted to do a musical with humans, and when I saw *Teen Beach Movie*, I was blown away."

Once Manning signed on to the Rain Forest Productions sequel, the pressure was on to make a movie worthy of its predecessor's success. It was a lofty task, considering the July 13, 2013 premiere of *Teen Beach Movie*, according to Nielsen, remains the number-two movie in US cable TV history in total viewers (13.5 million) and the number-two telecast of all time across major youth demographics, behind only *High School Musical 2*.

"When you set out to make a sequel, you only want to make it bigger and better, and *Teen Beach 2* is both of those things," says Manning.

Shot in Puerto Rico, the new movie sees Ross Lynch (*Austin & Ally*), Maia Mitchell (*The Fosters*), Grace Phipps (*Baby Daddy*) and Garrett Clayton (*The Fosters*) reprise their main character roles as Brady, Mack, Lela and Tanner, respectively.

While the original's fantastical plot transported characters from the "real" world into the fictional 1960s world of Brady's favorite movie *West Side Story*, the sequel sees Brady and Mack's 1960s biker and surfer friends time-warp into the modern world.

Manning says the production, led by returning director/choreographer Jeff Hornaday (*A Chorus Line*, *Flashdance*), was a fabulous experience, but the film's dance numbers did pose some challenges.

"There are more musical numbers than in the first movie and the choreography is more complicated. The challenge is making it all look very simple, which it does," says Manning. "We got all of the dance scenes done in the days we had scheduled, which is a testament to the multi-talented cast and dancers who had everything rehearsed and nailed it every time."

In what's become a go-to launch strategy for Disney Channel, *Teen Beach 2* will get a digital-first debut on the WATCH Disney Channel app and on WATCHDisneyChannel.com on June 19, prior to the movie's US broadcast debut on June 26 at 8:00 p.m. ET/PT.

And in line with the first movie, ancillary products from Disney Consumer Products are expected to be a big part of the launch. Apparel and accessories from D-Signed are already exclusively available at Kohl's stores stateside, and soundtrack number two is being released on June 23, followed by the movie's DVD and digital sell-through options three days later.

When asked if the teen musical trend will ever cool down, Manning says not likely. "When you have hundreds of children who are on vacation in Puerto Rico dress up as the characters, do the dance steps, sing the songs and watch in awe during the shooting of the sequel," she notes, "it speaks volumes to the fact that teens still treasure these types of movies."

—Jeremy Dickson



Peppa Pig is currently one of the top preschool licenses in Mexico, selling 40,000 backpacks since November

Climate change

Mexico's retail market is heating up for licensed products

BY PATRICK CALLAN

It's not only the temperature that's rising in Mexico right now. The country's US\$1.3-trillion economy, second only to Brazil's in Latin America, is showing signs of warming up when it comes to entertainment licensing. With inflation down to 4% from 35% in 1995, and per-capita GDP forecasted to grow by 36% over the next five years from US\$11,000 to US\$15,000, Mexican citizens are poised to have more disposable income, which bodes well for licensors operating in the market.

There are three other factors suggesting that growth is on the horizon for Mexico's US\$1.8-billion licensing business. First, kids categories make up roughly 74% of licensed goods sold in Mexico, and kids ages 14 and under comprise nearly 30% of the country's population (compared to

19.4% in the US). Secondly, licensed goods account for only 2% of Mexico's total retail sales—whereas in more developed countries, that number is around 4% to 5%—meaning there's plenty of room for improvement if the country's informal market continues to shrink. Finally, there's Mexico's proximity to the US, where it sends about 80% of its exports each year.

"There's something incredibly inviting about Mexico," says Dalia Benbassat, VP of corporate relations and acquisitions for Mexico City-based agency Tycoon Enterprises. "The market is big and densely populated, and Mexicans are good spenders if given what they want." She contends that companies able to find a balance between adapting to the Mexican market, keeping price-points competitive and safeguarding brand integrity will enjoy incredible licensing success in Mexico.

Mexico's retail landscape

Mexico possesses a highly developed retail landscape across all major segments, from small convenience stores, to big mass-market outlets, and every category in between. Not unlike the US, Walmart accounts for roughly 50% of the overall retail business, while Suburbia leads the mid-tier level and Liverpool dominates the country's high-end market. But gaining ground on Walmart is Mexico's second-largest retailer, Soriana, which bought 160 stores from Comercial Mexicana in January to boost its market share to 22% from 14%.

Notably, most retailers are concentrated in large cities like Mexico City, Guadalajara and Monterrey, but mid-size ones such as Puebla, Toluca and León also play an important role. Combined, these six cities make up more than 30% of Mexico's population of 120 million. Outside the major centers, the level of development is quite uneven and often lags behind. In many of these areas, the country's 15,500 convenience stores fill in the gaps.

Supplying Mexico's numerous outposts—both big and small—with an abundance of licensed goods are all the major players in kids entertainment. Disney, WBCP, Cartoon Network and Mattel have their own representatives in the country, while many others are repped by licensing agents such as Televisa and Tycoon. "Having a local representative is always a better option than having someone travelling twice a year," says Eduardo Figueroa, consumer products director for Spanish-speaking Latin America at Mattel. "You always need that executive who knows the retailer, from the processes and systems, to day-to-day buyers' movements and preferences."

The kids categories that tend to do the best at retail are toys/games (17%, US\$295 million), back-to-school (16.4%, US\$285 million), accessories (14.6%, US\$254 million) and apparel (14%, US\$242 million). "It's all about role-play," adds Figueroa. "Those products that make you feel like your favorite character or superhero." For boys, the Iron Man mask from *The Avengers: Age of Ultron* film is an extremely popular role-play item at the moment, while dress-up costumes from the new *Barbie in Princess Power* movie are currently a hit with girls.

Tycoon's Benbassat adds that entertainment has traditionally been the largest driver of licensed sales at retail in Mexico. "Whether from TV, film or digital media, entertainment has a truly expansive power. It's easy to grasp by retailers and consumers, and provides loads of creative materials and associated publicity," she says.

And thanks to the popularity of properties like Avengers, Superman, Spider-Man, Minions and Angry Birds, licensing is picking up steam in the infants and branded food categories, she adds. On the flip side, however, Benbassat notes there is significant room for growth in softlines, especially at high-end and mid-tier stores, where character-driven merchandise only accounts for a respective 20% and 35% of total kids softline retail sales (compared to 54% at mass retail).

Royalty rates right now

Licensed toy sales are primarily driven by advertising on traditional broadcast media, which has a 96% penetration in Mexico. However, digital channels are growing, and it's likely this will change in the coming years as internet access continues to climb, jumping from 46% in 2012 to 56% this year.

When it comes to royalties, Benbassat notes they normally range between 10% and 12% on wholesale prices, with some exceptions. Minimum guarantees, she says, are normally based on projected sales and tend to be more aggressive when the property is hot. "Minimum guarantees are seen as competitive tools, but also as risky, especially considering the volatility of our currency," she says. (The Mexican Peso recently lost roughly 20% of its value following the revaluation of the US greenback.) "This particularly affects our sector, as our licensees are normally bound to agreements in US currency and find themselves forced to sell more to reach the same royalties that were originally projected."

TOP KIDS LICENSES IN MEXICO - MAY 2015

	BOYS	GIRLS	PRESCHOOL
1.	AVENGERS	HELLO KITTY	DISNEY/PIXAR
2.	ANGRY BIRDS	FROZEN	PEPPA PIG
3.	MINIONS	BARBIE	PLAZA SÉSAMO

[Source: Tycoon Enterprises]

Mattel's Figueroa says royalty rates can range anywhere between 10% and 15%, and when a property is hot, the spread can be as high as 12% to 18% for categories like apparel, footwear and backpacks. "A common practice is to estimate minimum guarantees based on projections or previous-year sales, and the minimum guarantee should ideally be between 70% and 85% of that number," he says, adding the amount can range from US\$10,000 for a small property/category to millions for bigger ones.

Maca Rotter, managing director of consumer products at Mexican broadcast giant Televisa, adds Mexico's royalty rates are generally on trend with the rest of the world. "We mostly follow the market rules of 8% to 12% in consumer goods, and depending on volume and profit margins, can go down all the way to 3%. It's so variable," says Rotter. Like Figueroa, she says minimum guarantees are tied to the property, category and its perceived potential with different demographics.

With a feature film due in 2016, Angry Birds is one of Mexico's hottest properties




The pirate problem

While Mexico's formal market for licensed merchandise is pretty standard, it gets a little more complicated when you throw the US\$74-billion informal market, which accounts for an estimated 60% of the country's total business, into the mix. Cheap knock-off goods smuggled in, or produced domestically at hidden factories and warehouses (which are remarkably quick at responding to market demand), are undoubtedly a big cause for concern for the licensing business. In categories like DVDs and backpacks, piracy levels are pegged to be as high as 95% and 40%, respectively. Overall, Mexico ranks sixth in piracy levels worldwide.

However, Mexican law does protect brands and intellectual property. Pirates can, in fact, face jail time. Figueroa says in recent years, piracy has been declining because IP owners have actively employed external law firms to hunt down counterfeiters. He contends efforts to root out piracy, combined with the country's improving economic situation, will continue to weaken the informal market's position in Mexico.

Benbassat adds that local authorities have established a tighter grip on procedures and now require certification of rights for all trademarked merchandise coming in through Mexico's borders. This affects not only counterfeiters, but also licensees importing goods from abroad, who must show possession of rights before reaching the border, and sometimes before the shipment departs.

When it comes to protecting IP rights in Mexico, there are two registration options available. The first is through IMPI, which offers trademark protection by product class, and the second is with INDAUTOR, which provides copyright protection for the creator's life plus 100 years.

All things considered, Benbassat contends that Mexico's retail industry is on the upswing and quickly catching up with global trends, such as increased direct-to-retail partnerships. She says now is a good time for licensed brands in Mexico, whose competitive power is an incredible tool to face market challenges. "If your property has what it takes and can really prove its bond to customers, you will likely see generous returns," she says. 

Tackling the market

How eOne's Peppa Pig made a retail splash in Mexico

It didn't take long for internationally acclaimed preschool property Peppa Pig, which has generated more than US\$1 billion at retail worldwide, to become one of the most popular brands with Mexican preschoolers. Shortly after launching on Discovery Kids in 2013, Televisa picked up the series for its free-to-air channel, Bandai signed on to make toys, and a raft of licensees quickly filled in primary and secondary categories. "It took a year for the brand to have enough awareness in the market," says Murilo Hinojosa, international territory manager for Peppa's owner eOne Family.

Peppa products were officially launched in Mexico at high-end department store Liverpool at an event in November 2014. The promotion featured Bandai's figurines and play sets, plush from Famosa (which sold out during the launch), storybooks by Random House, and activity magazines and sticker albums made by Panini. While the initial consumer products rollout followed the traditional route, an insatiable demand for Peppa products in Mexico led to several impressive sales feats (see stats below), and a larger CP program quickly took shape.

The toy range continues to experience a 96% sell-through rate at Mexican retail, and later this year, Peppa, now with a total of 44 local licensees, is moving into Walmart and the mass market. "We positioned it higher at first, because once you've reached mass, you can't go back to high-end," explains Hinojosa, adding that eOne expects to at least double the size of the Peppa business in Mexico this year.

The pervasiveness of piracy means you have to adapt to the market, he explains. In some cases, this means taking on unconventional licensing partnerships in order to cover both the formal and informal channels. For example, you might need two licensees making the same product—one for high-end with more detail, and another making more basic and less expensive items. "We don't usually have two licensees doing the same products, but in Mexico, it was something we had to adapt to and understand that the market is different," he says.

Peppa's progress

- **500,000** toys sold within the first four months of launch
- Bandai products sold out in November 2014; sales tripled in December
- **100,000** Peppa Pig books sold as of December 2014
- **13 million** sticker packs sold since September 2014
- **40,000** backpacks sold by Photopack



Open for girls business

Nelvana picks up EMEA rights to Shopkins, worldwide licensing for Zhu Zhu Pets

Eighteen months ago, Nelvana Enterprises' top brass decided to shift the company's focus towards creating more gender-specific content, based on what it perceived to be a retail reality. It found that unlike with TV viewing, where it sees plenty of boy/girl balance, consumer products are still firmly segregated by gender—and brands seldom cross the retail divide.

Now, the Toronto, Canada-based brand management and consumer products firm, known for its mega-boy brands like Beyblade and Bakugan, is heading into Licensing Expo touting its girl-focused properties.

Selling 70 million units since launching in June 2014, Moose Toys' Shopkins is on a roll with girls six to nine, and Nelvana has landed a deal to produce an animated series based on the mini grocery-themed collectibles for a spring 2017 launch. It also picked up EMEA licensing rights for the brand. (Toronto's The Licensing Shop holds North American rights, while Bulldog Licensing reps the brand in the UK.) A series of short Shopkins YouTube videos already produced have a combined eight million views, but Nelvana will aim to tell "a different, additive, richer story," says co-head Andrew Kerr. The new series will capture the essence of Shopkins' core behavior, but also anticipate where the brand will be in a year to 18 months down the road.

Nelvana Enterprises has also recently acquired the rights to produce a new TV series based on 2009 TOTY winner Zhu Zhu Pets, which has generated more than US\$2 billion in sales for St. Louis, Missouri-based toyco Cepia. Along with managing the brand's licensing worldwide, Nelvana also plans to create funny, smart and intelligent content for Zhu Zhu's core girls audience that will not only stand on its own, but also ultimately help drive a parallel toy range. Both will launch in 2016.

Accordingly, Cepia is taking care of the new iterations of the original "fab four" hamsters—Mr. Squiggles, Pipsqueak, NumNums and Chunk—as well as two new characters, Jilly and Tulip. Marrying content with the new toys will be central to the brand's relaunch, adds Kerr. "It's a really original, intelligent and proprietary toy at the heart of the brand—that won't change, the sense of surprise and whimsy will always be there," he says. "But the brand itself, and the toy offerings, will evolve to better connect with the setting, the circumstance and the humor we layer into the content."

And let's not forget Nelvana's first-ever proprietary girls preschool property, Little Charmers. Since its North American TV debut in January, *Little Charmers* has rounded out its core US licensee lineup with several top-tier partners. Co-created by fellow Canuck company and master



Nelvana's reimagined Zhu Zhu Pets TV series will embrace the toy hamsters' wacky and unpredictable behavior

toy partner Spin Master, Nelvana has added the likes of Scholastic (global English-language publishing), Rubie's (Halloween costumes), Baby Boom Consumer Products (toddler bedding/bath) and Bakery Crafts (cake décor) to the Little Charmers CP lineup.

Kerr expects to sign a number of Canadian partners—particularly in soft goods—coming out of Vegas. And with the series gearing up for its European Nickelodeon launch later this year and into early 2016, Nelvana will also be on the hunt for international licensing partners. —Patrick Callan

Punching above their weight

Small toycos bring unique skillset to executing master toy licenses

BY PATRICK CALLAN



Small toycos recently nabbed the coveted Cabbage Patch Kids (Wicked Cool Toys) and Care Bears (Just Play) master toy licenses



For licensors, there's no shortage of reasons to partner with one of the major toycos. Companies like Mattel and Hasbro have deep pockets and a wealth of other resources at their disposal when it comes to taking on a master toy license. But is bigger always better? There's a crop of small- and mid-sized toy companies that have, of late, been using creative tactics to outmaneuver their larger counterparts and score key licenses. Tenacious, efficient, innovative and nimble are just a few of the words used to describe the little guys who are holding their own against the big boys.

Going the distance

Take Bristol, Pennsylvania-based Wicked Cool Toys, for example, which makes toys based on some of the biggest properties in the business, including Teenage Mutant Ninja Turtles, SpongeBob SquarePants and Dora the Explorer. It has been aggressively pursuing big-name licenses and landing master toy deals this year for the iconic Cabbage Patch Kids property and *Masterchef Junior*, the series that airs on Fox and is gaining a rabid kid following.

According to Martin Kratt, co-creator of hit PBS KIDS show *Wild Kratts*, he and his brother Chris signed Wicked Cool as the series' master toy partner in November 2013 because it showed an immediate passion and understanding of their brand. Wicked Cool was also willing to be

patient and persistent, which was exactly what the property needed. "It didn't need to blast everything out right away," says Kratt. "We feel [the Wicked Cool team] made Wild Kratts a company priority, and they haven't taken no for an answer when getting into retail."

Jeremy Padawer, co-president and partner at Wicked Cool Toys, says Wild Kratts may have been overlooked as commercially viable at first by other toycos, and because it wasn't a blockbuster movie, his company wanted to protect the brand by not flooding the market right out of the gate. "One of the challenges with large toy companies is they tend to want broad distribution immediately on everything, and sometimes that's not the right thing for the brand," says Padawer. Heading into its second season with Wild Kratts toys, Wicked Cool is now expanding in the US from Toys 'R' Us to Walmart and Kmart, as well as some drug, grocery and value stores. "We'll grow it deliberately and intelligently so we can have a long life cycle," he says. "[Wild Kratts] is too good to blow out—the temptation to blow something out too often results in a bad outcome."

Another example of a smaller toyco's long-term commitment to a brand and razor-sharp focus can be found at Kahootz Toys in Ann Arbor, Michigan. Founded in 2012, the company established itself around the relaunch of Hasbro's classic arts & craft activity brand Spirograph

in January 2013. Co-founder Brent Oeschger says there was a pent-up demand for the original Spirograph, which was celebrating its 50th anniversary at the time. The goal with the relaunch was to reposition the iconic brand as a classic evergreen toy while modernizing its functionality. And it appears the strategy is working.

The Spirograph Deluxe Set won an ASTRA Award for Best Toy in 2013, it was a TOTY finalist in two categories in 2014, and the Spirograph product line is a nominee for a 2015 LIMA Award. “We put all of our creative assets and business talent towards this brand,” says Oeschger. “For a larger company balancing upwards of 150 different brands at any one given time, it may have a number



of IPs in its arsenal that need to rise to a certain sales or revenue threshold in order for it to be viable.”

Kahootz’s commitment to the reimagined vintage toy has also paid dividends at retail. Oeschger says sales have so far exceeded expectations, and later this year Kahootz is introducing the My Little Pony Spirograph Set—the first-ever character license in the brand’s history.

Best-in-class

Outside of a particular brand focus, smaller toyco’s can offer specific category expertise as well. Deerfield Beach, Florida-based Just Play was awarded Care Bears master toy rights in July 2014. It ultimately came down to the fact that the toyco’s owners—Charlie Emby and Geoffrey Greenberg—possessed a core competency in plush, says Janice Ross, head of global consumer products for Care Bears owner American Greetings Properties. Also, likeability, trust and their willingness to put their heart and soul into the brand helped to tip the scales in Emby and Greenberg’s favor.

“They had years and years of success with highly successful brands, many geared towards girls,” says Ross. “They manage factory partners that are top-notch on quality and on-time delivery, and their reputations precede them with property owners and retailers alike,” she

adds. “They not only perform with high-quality product, but they make huge efforts to build or rebuild brands together with IP owners hand-in-hand. That kind of care and attention to detail is important for us.”

Sometimes it’s not just about showing licensors what you can do in traditional categories like plush, but how you can generate revenue for their property in an entirely new category. “A lot of what we try to do is create new categories and business opportunities that licensors don’t already have a partner for, or have not actually thought about as an opportunity,” says Ken Malouf, VP of marketing and project management for Uncle Milton. “In many cases, we can bring incremental business to a licensor that’s not already in their portfolio, and that’s a real value to them, and to us.”

The Thousand Oaks, California-based toyco’s expertise lies in science-based toys. Back in 2008, it approached Lucasfilm with an idea to make a Star Wars-themed science line. There wasn’t one in the market at the time, say Malouf, and with the franchise’s numerous science-based undertones, Uncle Milton felt there was a huge opportunity. “We still have that line to this day, and with the next Star Wars launch coming up, it’s going to be one of the biggest lines in the company,” he says. Along with a Jedi Force Levitator, the range will also feature a second incarnation of the Star Wars Force Trainer (the hologram experience), which lets kids use a wireless headset to move objects and recreate scenes from the movie with their minds. “It’s a magical product,” explains Malouf.

Speed demons

The ability to quickly turn a great idea into an actual product is another trick of the trade for small- and mid-sized toyco’s. After New York-based Out of the Blue Enterprises bought legacy toy brand Colorforms last September, it promptly signed a handful of new licensing deals, including portfolio agreements with Disney and Marvel and a license for Despicable Me with Universal. It is launching products at Toys ‘R’ Us in July, starting with an end cap, before moving into the regular toy section. TRU will carry the Colorforms products exclusively throughout the summer, and then they will be available at specialty and mass retailers in September.

Co-founder Samantha Freeman contends that when you work with smaller toyco’s, there are fewer layers of management to deal with and more collaboration in the toy-making process. “In our company, you’re dealing with owners who have a lot of expertise, and we really feel that these businesses and licenses are important to us, so we listen,” she says. “Sometimes with a bigger company, there’s more of a feeling that the big company knows better what to do in the marketplace.”

After successfully relaunching Spirograph, toyco Kahootz is co-branding the toy for the first time with Hasbro’s My Little Pony



Having worked for both small and large companies, she finds the leaner ones have less overhead and their focus tends to be more on the product and innovation, which allows them to get costs down and products to market more quickly. "We're really able to jump on opportunities and respond to market demand quickly," she says. And in terms of scaling up when you have a hit, Freeman says it's all about being prepared and having inventory on-hand domestically.

Lasting connections

When it comes to unique marketing tactics, companies like Van Nuys, California-based Funrise, best-known for its Tonka line, often go beyond traditional TV ads and look to connect with fans at a more grassroots level. For example, Funrise's two life-sized Tonka trunks regularly show up at different events throughout the year, such as New York Toy Fair and Off-Road Racing Series locations, where it sponsors drivers and sets up a Tonka fun zone for kids.

"We take a really omni-directional approach to marketing and engaging consumers, and it has worked for us," says Funrise CEO King Cheng. "We're a more innovative and flexible marketing-driven supplier for the retail trade. Anything retailers think of, we can pretty much execute. We're not set a year or 18 months in advance with a product."

Cheng says while it may be beyond the reach of smaller to mid-level toyco's to take on master toy licenses for

properties such as Disney Princess, they are often better positioned to take legacy brands and run with them, like Funrise has done with Tonka for more the 15 years. "Quite often licensors are pleasantly surprised by companies



Out of the Blue is launching a range of licensed Colorforms products at Toys 'R' Us in July

like us that exceed projections quite dramatically through sustained effort," he says. "We don't give up on brands after one try. Licensors have lost sight of a lot of other properties out there that could bring additional dollars to their bottom lines." 

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Agent HiHat Media is planning an incremental build for the new preschool property

Peg + Cat = retail opportunities

With four Emmy Awards under its belt and solid ratings on PBS KIDS, co-pro *Peg + Cat* from 9 Story Media Group and The Fred Rogers Company is ready to look at licensing opportunities in the preschool space. Short Hills, New Jersey-based HiHat Media has been tapped to find the right North American partners to support the series' core STEM curriculum.

HiHat started the ball rolling recently by inking a multi-year, multi-territory (Canada, US, UK, Australia) publishing deal for *Peg + Cat* with Candlewick Press, which will launch hardcover and picture books this fall/spring 2016. The plan is to then lock down a master toy partner at Licensing Show, followed by secondary categories that will be part of a wider consumer products rollout in fall 2016.

Heading into its second season, the animated series created by Billy Aronson and Jennifer Oxley, about a young girl and her trusty feline sidekick who solve a different problem each episode, debuted in the US in October 2013. It has since been picked up in more than 30 countries.

"The licensing program has been carefully held back until the right time for the property," explains David Jacobs, president of HiHat Media. "We felt it was very important early on to build the digital platforms first." The property has seen initial success in the digital space with apps, DVDs and downloads, he says, and it will look to carry that momentum into toys and other merchandise.

Beyond core categories like toys and publishing, HiHat plans to round out the *Peg + Cat* licensing program with bedroom décor, accessories and apparel. But don't expect to see loads of merch flooding the market any time soon. Jacobs intends to continue building the brand incrementally with key licensee and retail partners. "We're not interested in creating this mega-property that crosses 40 licensees," he says. "We need really solid partners who understand how to interpret the quality of the show, its entertainment value, and then how to incorporate teaching moments."

With educational and musical components embedded in the show's DNA, it should open up a range of interesting opportunities, Jacobs adds. "That's a wonderful set-up for something different in the market. *Peg + Cat* goes beyond traditional girl power roles and fits into the market in a unique position," he says.—Patrick Callan

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I'm romantic— I use emoji



While we don't foresee a Tinder Kids on the horizon, as marketers, it's important to recognize that kids and tweens are using digital platforms to navigate the tumultuous world of relationships, romance and identity formation

BY WYNNE TYREE



During a recent ethnographic study, a 10-year-old girl told me, “Thomas is dating Abby.” Thomas, her 11-year-old neighbor standing next to her, grinned from ear to ear. I then asked, “Well, what does that mean, Thomas? How do you know you are dating her?” He responded, “Somebody told me she liked me, and I said I liked her back...so now she texts me all the time.” When I asked if he texts her back, he quickly replied, “Yes. And I’m romantic—I use emoji.”

This 15-second exchange was filled with brilliant insights. First, it speaks to the “dating” trend we continue to see among tweens and kids, and the fact that mobile devices and the veil of personal screens are helping to fuel the trend. It also captures the realities of how texting, Snapchat, Instagram and Twitter are being used by tweens, and the power of visual media in communications between young digital users. Lastly, Thomas’s experience echoes the contemporary truth that while digital interactions are allowing boys to be “romantic” in new ways—and with little effort—girls typically initiate and pursue romance.

Surge in tween dating

For years, Smarty Pants has been watching the tween girlfriend-boyfriend phenomenon swell—as have parents and teachers of third to eighth graders. Today, kids and tweens as young as eight are pairing off—sometimes at the lunch table, sometimes with a note, but mostly these are digital relationships, which are part real-life, part digital coming-of-age. Essentially, it’s the aging-down of real relationship-building that used to be reserved for late middle school and early high school. It’s about contemporary identity development—inclusive of sexuality and gender.

Personal screens facilitate dating

There is no doubt that personal devices—both smartphones and tablets—have played a huge role in the growth of tween dating. After all, screens allow kids and tweens to be much braver than they would ever be in real life. So in many ways, it’s only natural that “dating” would become part of the pre-teen digital discourse. We would argue that technology actually accelerates it.

As screens—and the apps and services that populate them—have trickled down, so have the habits and conversations we once saw only among late tweens and teens (think bullying, flirting and creating cryptic languages). Texting, for example, has afforded kids the autonomy and privacy to have more peer-to-peer dialogue outside of adult supervision. And apps like Snapchat, which is brilliant from a kid point-of-view, have meant that the Abbs of the world can snap a note to their crush and see what happens, with virtually no social risk.

Images dominate the tween date-o-sphere

Imagery has become the new alphabet, and self-expression right now is all about mastering the visual lexicon. Since photos, selfies, videos and emoji dominate kid and tween digital content, it’s not surprising that they dominate “dating.” Now kids and tweens don’t have to write or say, “Abby likes you. Do you like her?” Instead, they can just type “👉Hi” and wait for a crush to take the bait. Or they can ask a classmate to FaceTime, to see if they have an interest in seemingly innocuous “talking.” The result could be an Instagram pic of the new couple with the caption “❤️ Thomas bae” (short for “I love Thomas before anyone else”).

What's so great about...telling jokes?

BY ARIN TUERK, PH.D.

While few sounds are as adorable as a baby's giggle, the cognitive work involved in developing a sense of humor is no laughing matter.

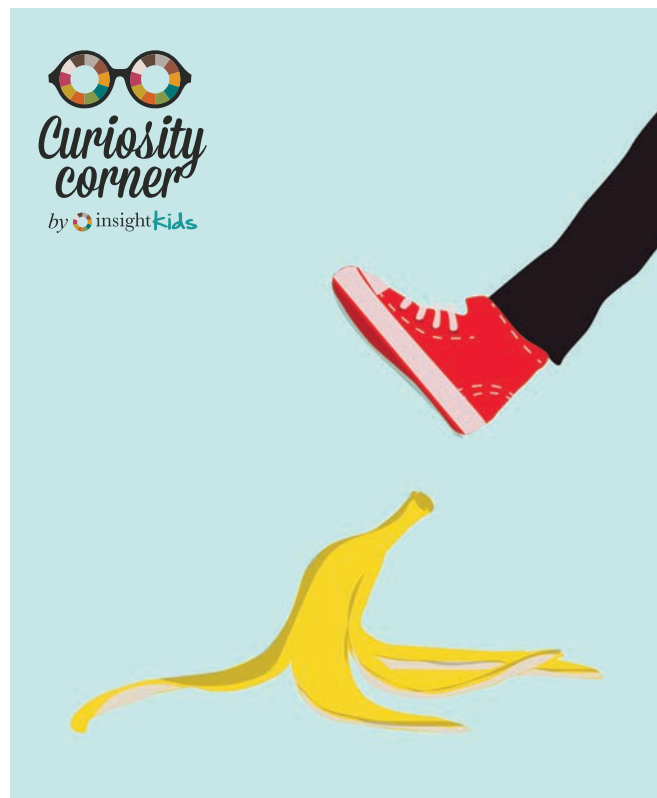
Babies show their first signs of social humor as newborns, smiling and cooing at their doting parents' silly voices and faces. By three months, babies are giggling through playful physical interactions like bouncing and tickling.

As children navigate the first year of life, they are constantly learning and developing complex theories about how the world works, and once children understand a concept, they have a blast playing with it. Take the game of peek-a-boo, for example. A 10-month-old delights in the game, having learned that mom's face is just hidden behind her hands and will reappear shortly. A two-year-old, who has learned the right way to get dressed, will laugh hysterically when dad puts his pants on his head.

Over the next few years kids make huge gains in abstract and logical thinking, and their humor evolves to reflect these new skills. They also gain the ability to think counterfactually, which is important because according to the incongruity theory, a situation or story is funny when it doesn't match up with what you expect to happen (i.e., it's funny when a huge elephant has the high-pitched voice of a mouse).

While toddlers will find incongruities with strong visual and physical cues funny, they won't be able to make sense of other less perceptible incongruities like those between what a character believes and what's actually happening in the world. For example, switching the signs for the boys' and girls' bathrooms is a funny prank to a five-year-old, but would likely fall flat with a younger child. Getting these kinds of jokes requires additional cognitive skills including Theory of Mind, or the ability to understand someone else's perspective. In a classic study of this ability, a researcher presents a three-year-old child with a box of candy, but when the child opens the box, she finds pencils. When the researcher asks the child what her mother, who is not in the room, would think is inside the candy box, the child replies, "Pencils!" The ability to reason about someone else's beliefs that differ from a child's own develops between the ages of four and five, and allows children to detect incongruities where they couldn't before.

What children think is funny is unique to their age or developmental stage, but helping children work through more challenging jokes can be beneficial to their cognitive growth. For example, children younger than six or seven lack the language mastery to find puns funny, but by explaining how words can have multiple meanings, we can foster their flexible thinking skills and creativity. In a way, jokes are like puzzles for children to solve, and by scaffolding their understanding of less obvious incongruities through explanations or visual cues, we can delight and challenge them while helping them do the work of growing up.



Arin Tuerk is an analyst at **Insight Kids**, a passionate team of business strategists and developmental experts who spend their waking hours pondering and communicating timeless truths and timely trends. Through innovative qualitative and quantitative market research and consulting, they bring the voice of the child to the creative process, helping their clients create products and experiences that meet kids where they are. To connect with Insight Kids, please email info@InsightStrategyGroup.com, or check out www.InsightKids.com.

Girls are the initiators

If you follow media discourse and marketing campaigns around tween girls, you might assume they are insecure, apprehensive and the victims of boys' never-ending harassment. But if you sit down with a mom of a tween boy, they'll say things like Polly, mother of 10-year-old twin boys, did during a recent interview. "These girls are out of control," she said. "They are blowing up my sons' phones...texting, calling, Snapchatting and FaceTiming. They are like stalkers. I don't know who told them they needed a boyfriend, but they are the aggressors. And my sons couldn't care less about girls right now."

We've heard similar comments from countless moms, dads, teachers, boys and, yes, girls (who feel the need to

"train" their prospective mates on dating etiquette). And it's not totally surprising. Girls are physically more mature than boys during their tweens, and they are more entrenched in social media and digital communications. Combine the two, and sprinkle in a bit of girls' cultural training that life is better as a twosome, and you have a recipe for millions of tween girls pursuing millions of sometimes-oblivious tween boys. **K**



Wynne Tyree is the president of Smarty Pants, a youth and family research and consulting firm. Heads Up! is derived from the company's daily in-person and digital immersion into kids' and families' lives, as well as proprietary quantitative research. For more information contact Meredith Franck at 914-939-1897 or visit asksmartypants.com.

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Tapping a new demo

Sprout launches its first-ever second-screen app based on preschool series *Ruff-Ruff Tweet and Dave*

BY DANIELA FISHER

As preschool net Sprout closes in on its 10th anniversary this September, the US linear and VOD channel is amping up its digital play with a new second-screen app for toon *Ruff-Ruff Tweet and Dave*, a first for the kidcaster.

While Sprout has a host of preschool apps on the market, what stands out about this one is that it offers preschoolers an immediate, interactive experience with the TV series while it's being broadcast. "Linear shows are wonderful for being immersive, but often kids want more than that," notes Andrew Beecham, Sprout SVP of programming.

The app, which bears the same name as the TV show, is available for iOS and Android devices. Built by L.A.-based Deluxe Media, it recognizes the series' audio feed and syncs to whatever episode is playing. Kids respond to questions that are typically asked in the episode via the app. (Series stars Ruff-Ruff the dog, Tweet the bird and Dave the panda often ask multiple-choice questions on the show.) They can then earn reward points and unlock activities as they play.

Sprout led the charge in creating the app, which was developed alongside the TV series co-produced by Sprout, Sparky Animation and Collingwood & Co, and distributed by Bejuba Entertainment. The mobile offering was a way for Sprout to attract older preschoolers, who will be able to engage more deeply with the show via the app, without losing the younger ones.

Show creator Tony Collingwood, principal at Collingwood & Co., sees the app as a way for very young children, who understand far more than they can express, "to be able to shout out an answer without having to construct a sentence."

Too much for preschool?


But the notion of a second-screen experience for preschoolers might still raise some eyebrows.

For Gary Pope, if you're asking preschoolers to split focus and understand the narrative that's happening on two screens, chances are you'll take some kids with you, but not all of them. The approach has to be right for preschoolers to benefit from experiencing the second screen, notes the director of UK-based insight and research firm Kids Industries. While it is still early days to see how the trend will play out in the preschool space, using both screens for the same activity, like answering multiple-choice questions as it's done with *Ruff-Ruff, Tweet and Dave*, might just be the way to succeed.

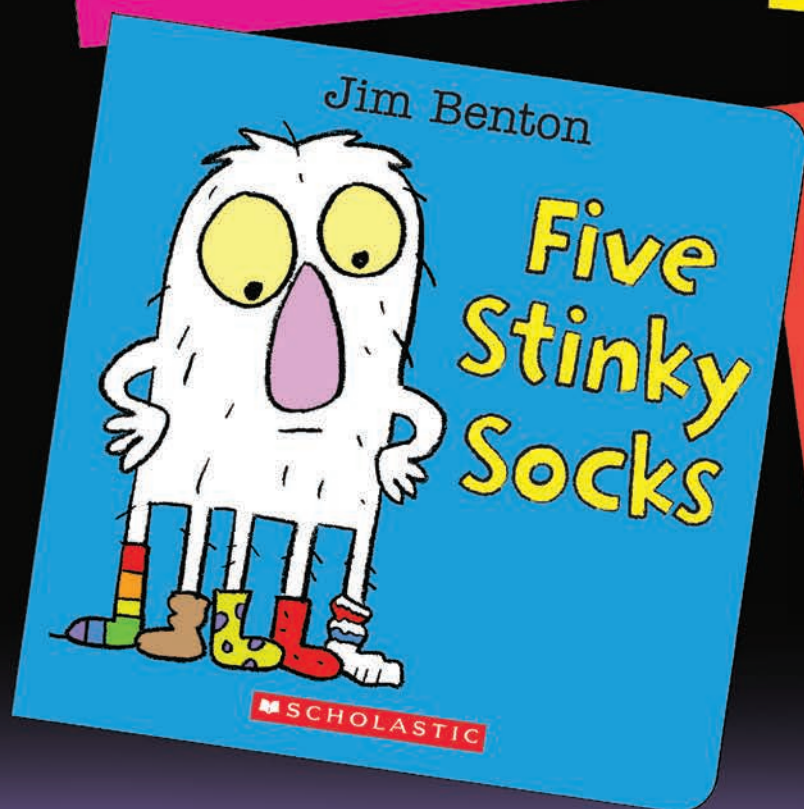
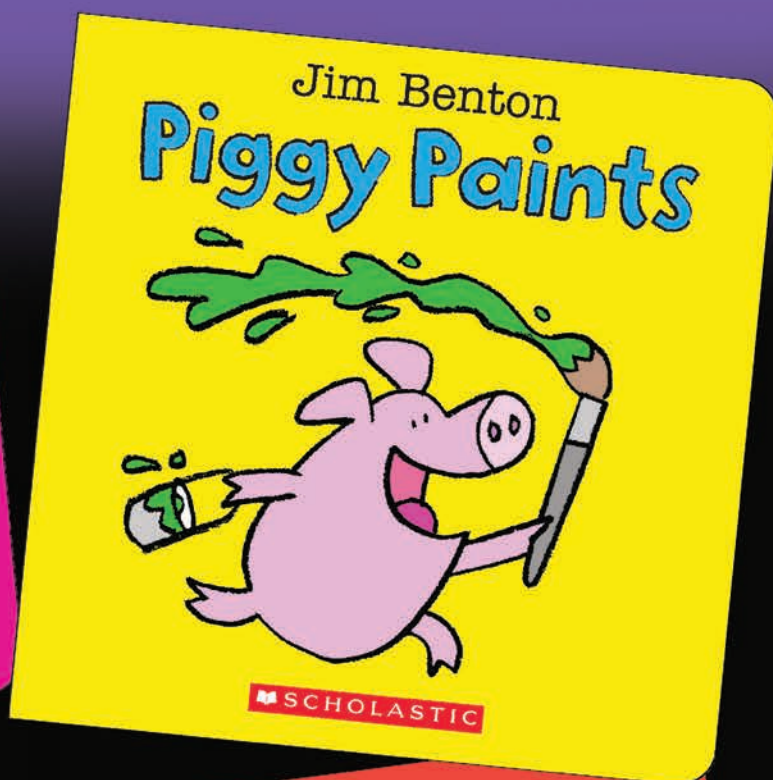
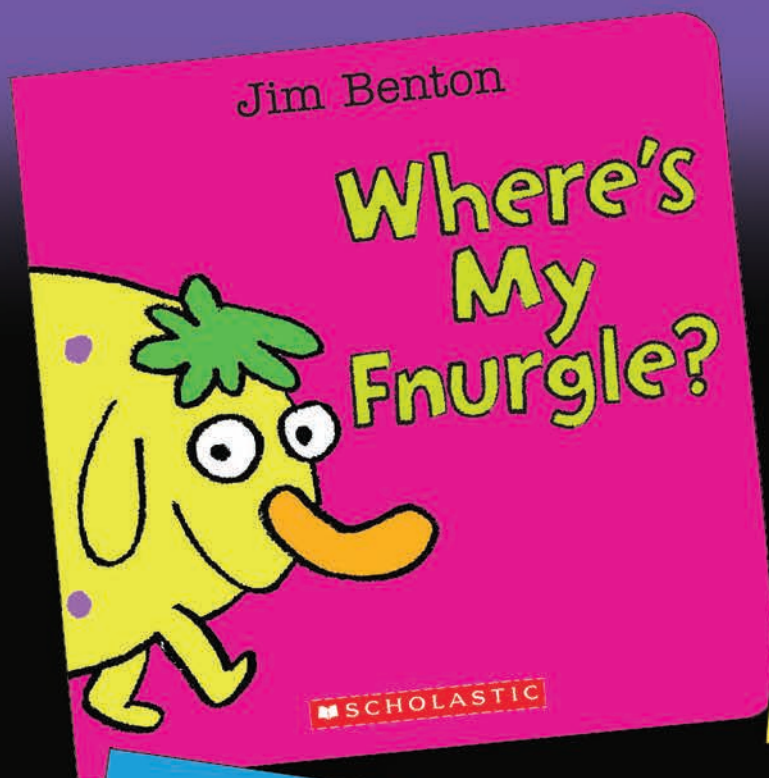
"For preschoolers, it's going to be a more linear experience because they're not able to abstract," explains Pope. "I think they're right in that both screens must produce a single activity. If both screens are focused on the same activity at the same time, I understand how that can work very well."

According to Beecham, it's important to consider how to create a digital product in such a way that adds value and doesn't detract from the experience of watching it on linear television. The temptation, he says, is to do as much as the technology allows—like making the screen move when the character nods. "We had to be very restrained because the main experience is a linear experience, and we didn't want to take kids' attention away from that," he contends. "We didn't want to shift the focus too much."

For instance, the app's display is uncluttered and the second-screen interactions are simple. The app also provides a countdown to questions to allow kids time to shift focus from the TV screen to the app.

Ultimately for Collingwood, the app is a way to engage kids already well-accustomed to swiping and tapping their way through their favorite properties. "I don't think children think there's anything unusual about being able to sit there and have Ruff-Ruff, Tweet and Dave on their lap while also watching TV and touch the right answer," says Collingwood. "They just do it naturally." 

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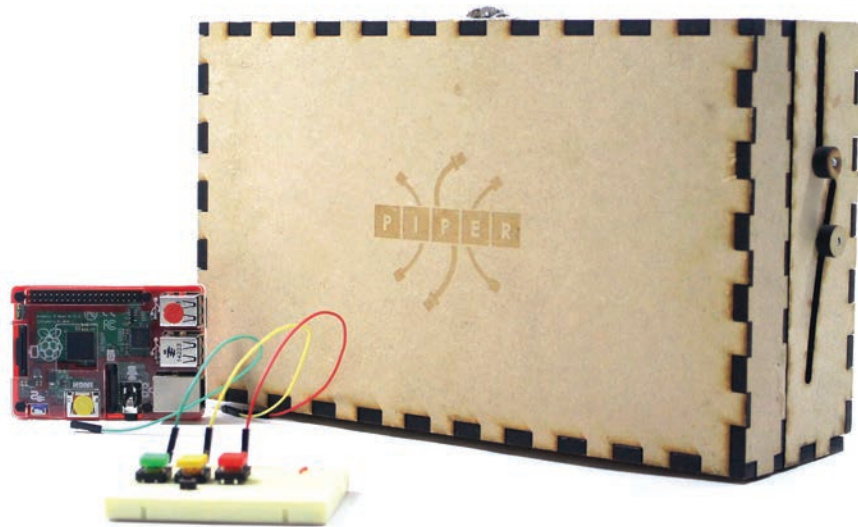


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New Kid in Town

A direct track

Piper is tapping into the physical-digital play trend with a wooden toolbox that blends *Minecraft* with real-world tinkering

Build up With US kids spending on average 22 hours a week watching TV and three hours on game consoles (Nielsen), it's no wonder that parents are looking for ways to incorporate aspects of physical play into their kids' media diets. That demand is also fueling the growth of companies like Piper, a San Francisco, California-based startup whose flagship product, the Piper wooden toolbox, lets kids build their own electronics while playing *Minecraft*.

Google Science Fair winner and Harvard undergrad Shree Bose and Princeton grad Mark Pavlyukovskyy founded Piper in 2014. The pair conceived the toolbox as a product that would reshape how the current generation of digital natives experience

technology and launched a Kickstarter campaign. It pulled in US\$280,033, handily outstripping the original US\$50,000 goal.

Nuts and bolts "Kids today are passive consumers of a lot of technology," notes Pavlyukovskyy. "I wanted to create something that lets them take apart a piece of technology and then rebuild it from scratch in a way that's interesting for them."

Leveraging the widespread popularity of *Minecraft*, the toolbox uses a modified version of the game running on Raspberry Pi 2. To get power-ups in the game, players must first construct real gadgets and circuitry, using physical parts included in the kit. For example, building a switch and turning it on lets users activate a hidden bridge to cross a spewing sea of lava.

Along with offering power-ups not available in the original game—which, according to Pavlyukovskyy, was a big draw for Kickstarter backers—the tricked-out toolbox offers gameplay completely different from other educational games.

"Most of the games you play today, they're just on the screen," he says. "You have an iPad, you tap on the screen, and that's how you play. But here you have to actually physically construct things and make devices."

Currently offered for US\$199, the toolbox is slated to start shipping to its backers in December. Using the funds from the Kickstarter, the company is working to fulfill roughly 1,400 orders before the end of this year.

"It's quite amazing how it's spread," says Pavlyukovskyy. "People all over the world have been reaching out and saying they want to buy a few units."

Down the line Going forward, the plan is to expand the toolbox offerings, allowing kids to create their own devices for the game and share them with friends.

In addition, the company is actively seeking partnerships with retailers and distributors to assist in scaling up and getting the product into bricks-and-mortar stores.—Daniela Fisher

The Digits

Numbers that speak volumes about kids and technology

235 billion apps

will be downloaded this year, but barely 1% of apps are now paid for at the point of download

(Juniper Research)



52% of **US children under 1** have watched TV on mobile devices, and 15% have used apps
(Einstein Medical Center Philadelphia)

New stats show

97.6%

of all gaming video views come from fan-made YouTube gaming channels

(Octoly and Newzoo)



Device usage among kids is rising sharply in France, where close to

three-quarters of seven to 12s

own a gaming console and 29% own a tablet

(eMarketer)



Frozen continues to be hot in 2015, with merch sales driving DCP's Q1 revenue up by 22%

State of flux

LICENSING SHOW

While US retailers continue to navigate the tricky confluence of traditional and digital consumption models, kids licensors and licensees are finding new ways to go with the flow

BY PATRICK CALLAN



As technology continues to shake the traditional retail model to its core, bricks-and-mortar retailers are searching for ways to beef up their e-commerce businesses to reach new customers and drive sales. On the flip side, a clicks-to-bricks counter-movement is cropping up in which online-only retailers are testing the value of establishing physical locations. Caught in the middle of this topsy-turvy state are licensors and licensees focused on the kids entertainment space.

"I think everybody is still trying to figure out the juxtaposition and the relative roles played by online platforms and physical retail, and how to make these things work on a continuum," says Martin Brochstein, SVP of industry relations and information for the International Licensing Industry Merchandisers' Association (LIMA). "How do they mesh? How do they co-exist? How do they feed off each other, and are there solid learnings that can be applied going forward?" he asks. "I think it's still a very fluid situation."

Add to that the persistent issues of shrinking shelf space, fierce competition for consumer attention, and a middling economy, and the US retail landscape on its surface does not appear to be particularly inviting for the entertainment licensing crowd. Despite all that, however, licensed merchandise continues to play a key role in driving bottom-line sales at retail. In the key kids category of toys, for instance, US retail sales of licensed toys grew by 7% last year, and licensed products now account for 31% of overall toys sales, according to market research firm The NPD Group. And Toys 'R' Us, for one, is betting on global, large-scale licensed in-store executions to keep its recent turnaround on track.

So where does this leave entertainment licensors and licensees? The jury is out on whether or not they are working in a better, worse, or similar mass-market retail environment

stateside compared to five years ago. But one thing came through loud and clear from the consumer products execs we interviewed—the importance of investing in quality storytelling and content cannot be underestimated if you're looking to succeed in the kids entertainment licensing biz right now.

The top shops in a shifting landscape

Sticking with the all-important toy category at mass market, Klosters Trading, the Williston, Vermont-based market research organization focused on the toy and video game industry, shows Toys 'R' Us edging out Amazon (19% to 17.4%) for top market share of toy sales in 2014. But notably, Amazon made the biggest overall gains, with its share climbing up 4% from 2013. On the other hand, Walmart dropped from first in 2013 with 19% market share to fourth in 2014 with 16.8%, while Target held steady in third at 17%.

There's no question online shopping and the growth of e-tailers like Amazon are putting the heat on classic bricks-and-mortar retailers, but it's now pretty clear that having a strong presence in both spaces is essential. While Walmart plans to spend US\$2 billion on growing its e-commerce business this year by 30% to US\$13 billion, it also recently announced massive international expansion plans—115 new stores in China over the next three years, and 29 new stores in Canada by early 2016.

In the US, Target plans to expand its smaller store presence with more CityTarget locations (which range from 80,000 square feet to 160,000 square feet in size), convenience store-like Express locations, and up to 200 new Neighborhood Market stores by the end of 2015. The retailer also plans to spend US\$1 billion this fiscal year to improve its e-commerce business and boost online sales by up to 40%.

For its part, Amazon, which experienced a 16% hike in revenues last year to US\$89 billion, is testing out its first bricks-and-mortar drop-off/pick-up location at Purdue University in Indiana. The store opened this past February, and three more locations are expected this year.

Toys 'R' Us, meanwhile, appears to be stabilizing its business operations following the implementation of a company-wide transformation strategy in early 2014 to address net losses of more than US\$1 billion in 2013. The company tightened up operations, expanded internationally, paid down US\$1.4 billion in debt, and managed to make US\$61 million in profit in fiscal 2014, despite a Q4 earnings decline of 1.8%.

The toy retailer also updated its transformation strategy earlier this year and plans to continue improving operational efficiency, optimizing its US\$1.2 billion e-commerce business and expanding internationally, particularly in China and Southeast Asia.

"One of our goals is to identify key licensing partnerships and trends that we can amplify in Toys 'R' Us stores worldwide," says Richard Barry, TRU EVP and chief merchandising officer, who will be a panelist at Licensing Show's opening keynote on the future of retail.

And in an attempt to differentiate itself from cost-cutting competitors like Walmart and Target—a move being trumpeted by execs across the toy industry—Toys 'R' Us has announced plans to incorporate a kids play space in its stores. (See "TRU not playing around," p.51.)

The impact of cross-platform retail

Bill Graham, VP of business development at Jazwares, a Sunrise, Florida-based toyco that is relatively new to licensing, says traditional retail still reigns supreme. It continues to drive a lot of the more macro-minded programs, but online is presenting a number of speciality opportunities for super-fans. "Things that might have traditionally been viewed as Comic-Con-like, where they were specialty opportunities within smaller shops, have become bigger parts of the conversation," he says. "Online has definitely fanned those flames in terms of making them part of the overall conversation at retail."

For Carol Spieckerman, president of Bentonville, Arkansas-based retail consultancy firm newmarketbuilders, retail is at a fascinating inflection point as mass-market players learn how to leverage their physical locations to facilitate online purchases while pure e-commerce companies and technology platforms explore physical retail.

Regardless of what platform is used to reach customers, she argues entertainment licensing has become a content-first proposition, and has moved away from its traditional product-first reputation with retailers. "Creating a compelling content platform and developing a clear point of view—how a property's reach, content plans, user base and accompanying metrics support retailers' goals for their own platforms—is far more important initially than signing a raft of licensees in various categories," Spieckerman contends.



Because it's getting increasingly difficult to define retail categories, content creators (such as licensors, broadcasters and publishers) should look more closely at direct-to-retail partnerships as some retailers may be better suited to execute specific brand statements in either the digital or physical space. "As the digital rethinking of physical retail begins to take hold, kids entertainment companies will have a greater opportunity to showcase digital and content innovations in-store," she adds.

Many retailers, particularly multi-category mass-market ones, are in the later stages of cleaning up clutter in their physical retail locations, she notes, which could lead them to back away from aisle-blocking displays and rein in all forms of in-store digital content, including shelf-talkers and auto-play product tutorials. "A new era in which retailers introduce innovative and highly-engaging digital content into the store environment will follow," Spieckerman predicts. "And there are many possibilities in terms of what that might look like."

She says if Walmart's new US\$50-per-year subscription service (in direct competition with Amazon's Prime) follows Amazon's model of layering exclusive content into the service, it will be able to offer entertainment companies unique in-store content relationships that Amazon cannot because it lacks the physical scale.

The migration from the traditional bricks-and-mortar experience to a more frictionless, cross-channel approach for consumers means that the value of "rich media" becomes incredibly important in the buying experience, says Stephanie Wissink, managing director and senior research analyst at investment research firm Piper Jaffray.

"For many years, companies in the toy industry would focus on point-of-sale presence," she notes. "The merchandising displays and toy placement on the shelf (vertically and horizontally) would trigger you as you walked by. But in today's world, you have to create rich media such as animation or 3D modules to compete for mindshare and to convince the consumer it's a worthwhile purchase," she



TRU is counting on more licensed exclusives to boost sales

Toys 'R' Us not playing around

In mid March, TRU revealed plans to launch a prototype store later this year with play areas and interactive technology, with the ultimate goal of making all of its locations more engaging for both kids and families. The move is part of the company-wide transformation strategy that rolled out last year, which has seen the toy retailer place an increased focus on providing customers with a one-stop gift-giving destination.

"We continue to look for ways to create experiential moments for kids and families visiting our stores through in-store make-and-take events and other activities with our valued partners such as Lego, Mattel and Activision," says Richard Barry, EVP and chief merchandising officer of TRU. "We've also begun to integrate more interactive displays in our stores, including our current tablet valley, Thomas & Friends train table display, and dioramas that allow customers to see and experience products in action."

TRU's strategy to redefine its toy-specialist role and differentiate itself from cost-cutting competitors like Walmart and Target is being welcomed by those from all walks of the toy industry. "It's about time," says Jay Foreman, CEO of indie toyco The Bridge Direct. "We are all rooting for this idea to work."

CEO of research firm Klostors Trading Lutz Muller adds that it's a brilliant idea on TRU's part, because any time you visit one of its locations there are all kinds of kids trying to play with the toys, as well as the interactive displays from companies like Playmobil and Imaginarium.

TRU's play space concept is yet another example of a retailer waking up to how physical retail locations can and should be an asset rather than a liability, according to newmarketbuilders principal Carol Spieckerman. "TRU's play space is a step in the right direction in terms of distancing itself from digital competitors like Amazon and discount retailers such as Walmart and Target," she says. "However, unless brand exclusives feature heavily in the plan, TRU will still be vulnerable to ruthless price comparisons."

GBI president of global consumer products Stone Newman notes this type of in-store experience has proven successful for others in the past, like Apple and Barnes & Noble—and if it works for TRU, it will be great for the whole industry. "No other retailer has the breadth of fun stuff on their shelves, so pulling it off the shelf and giving the consumers an opportunity to engage and interact with it should lead to positive dividends for TRU," he says. — Patrick Callan

argues. "It can't just be a blank picture on the screen with a price next to it. It has to be far more interactive—specifically speaking to the youth space."

Wissink points to Toys 'R' Us as a great example of how retailers are embedding video into the selling process. For instance, alongside pictures for Hasbro's Nerf Rebelle Rapid Glow Blaster on TRU's website, there is a video link that plays a 43-second clip of someone demonstrating how to use it and highlighting special features. While these kinds of videos could be produced by either retailers or toyco's, they "bring the product to life outside of the box," she explains.

Incorporating interactive features is especially important for younger kids. Although they are more tech-savvy than ever before, they still can't associate pictures of their favorite characters that they see online with the product they see on-shelf, where they can pick it up and play with it, adds Klostors Trading CEO Lutz Muller. "At brick-and-mortar, it's the small guys who pick the products, and the parents tag along and eventually fork over the money," he says.

Care Bears owner American Greetings Properties, for one, processes its entertainment licensing partnerships at retail through the perspective of the individual retailer. "It's important to understand what each retailer is trying to accomplish, and part of that is doing what we can to give them unique items, special attention and retail offerings so they have differentiation and can stand out from competitors," says AGP president Sean Gorman. "In terms of Care Bears, we want to do a lot more co-branding and DTR efforts so that the brand itself is associated with other brands within a retailer's store, and then you can give certain retailers in some categories pure, unique attention and ownership of the brand."

Meanwhile, over at Disney Consumer Products, amidst an ever-evolving retail backdrop, the company's consumer-focused approach remains constant across all of its channels. Paul Gainer, EVP of Disney Retail, says understanding how consumers engage with its characters, and offering the right assortment of products at retail, is crucial to success. "We know that a one-size approach does not fit all," he says. "Right now, there is an increased expectation for a more personalized shopping experience, but our approach must go beyond ensuring that the customer gets what they want, when and how they want it—there has to be a holistic approach to the entire experience."

DisneyStore.com delivers personalized product recommendations by focusing on an individual's shopping behavior, which helps Disney meet the demands of a more tailored shopping experience, adds Gainer. "In order for us to look at the shopping experience holistically, it is crucial that we use a number of different touch points to get an overview of our guest across all channels, wherever they shop," he says.

All things considered, Karen McTier, EVP of Warner Bros. Consumer Products, feels the changing state of retail is having a positive effect on kids entertainment licensing. (WBCP has more than 3,700 licensee partners worldwide.) "As retailers sharpen their focus to omni-channel programs, the endless-aisle approach gives WBCP and its licensees more avenues to reach consumers with incremental product

offerings beyond what is traditionally found just in-store," she says. "Their increased focus on digital channels has allowed us to extend our marketing message to support these products across new and emerging media." With its Batman Unlimited and DC Super Friends properties, for example, the convergence of retail and digital has provided WBCP with multiplatform opportunities to work closely with retail partners to offer consumer products wherever they are (in-store/online) and whenever they want it.

Stone Newman, president of global consumer products for Genius Brands International, agrees. He also finds the changing retail landscape to be fortuitous for GBI, which manages brands like Baby Genius and Thomas Edison's Secret Lab. "We are finding more opportunities than ever before to partner directly with retailers across all price-points to address gaps in their planograms and create programs that address customers' needs," he says.

Newman adds that increased collaboration between licensor, licensee and retailer lets GBI better react to changes in the marketplace while providing great retail programs for customers. For example, when GBI launched its From Frank consumer products program in 2014, based on the humorous and humanlike French bulldog named Frank the Tank, it looked to extend the initial greeting card program into wall calendars. While there was interest from retail and a licensee, GBI could not get a manufacturer to commit to a 2015 wall calendar, which would ship in summer 2014.

"As a result, we licensed online retailer Go! Calendars directly for the 2015 wall calendar, knowing that starting in 2015, they would take the 2016 product from our licensee Chronicle," says Newman. The partnership was beneficial for everyone as it meant From Frank calendars debuted a year earlier as an exclusive at a major retail partner; the market was established, which led to an easier sell-in for a new licensee; and ultimately the products were available for consumers to enjoy.

The Mouse that roared

The shifting retail environment is just one issue affecting entertainment licensing opportunities. At mass-market retail, it's impossible to ignore the power of Disney. The House

of Mouse's empire boasts seven of the top 10 licenses in the business (See "Top US licenses," p.53), roughly 330 Disney Store locations worldwide and e-commerce businesses in nine countries. Plus DCP's three key arteries—publishing, licensing, retail stores—generated US\$3.985 billion in revenues in 2014, an increase of 12% from the previous year. With properties like Disney Princess, Marvel and Lucasfilm in its arsenal, there is no other entertainment licensor that comes close to DCP's sales numbers or retail reach.

According to Gainer, DCP is organized by franchise, rather than by traditional categories (i.e. hardlines, softlines), which enables the company to have entire teams focused exclusively on driving the growth of key franchises on a day-to-day basis. "Our entire business segment, from top down, is organized to support this model, which allows us to best leverage our biggest differentiator—our unique IPs," he says.

So, just how do you compete with the likes of DCP? "We have to have great products. We have to have tight price-points. We have to have multi-faceted consumer touch points," says Leigh Anne Brodsky, MD of Iconix Entertainment, which bought Strawberry Shortcake for US\$105 million from AGP in February, and also owns Peanuts. "We have an emotional connection with the consumer through our multi-generational brands. There's a lot of heritage, and it's a competitive advantage we have versus all of our competitors."

Connecting with consumers in an emotional way through great content and creative is one of AGP's key pillars. Gorman says despite the power Disney wields through its distribution channels, retail connections, TV networks and more, creating high-quality entertainment remains at the core of its business. "It's easy to be scared of Disney, with its huge market share and great brands," he concedes. "However, if you look at things that are really well done and creative, they tend to make their way through. An easy example that's not one of our brands is Universal's Minions," he says. "Rather than competing against Disney, just make your own great creative, make sure it gets out there and manage it."

Pete Yoder, VP of consumer products for Cartoon Network Enterprises, whose notable properties include Adventure Time and Regular Show, says one way Cartoon Network looks to differentiate itself is by offering unique brand experiences to different retailers, which starts with an open dialog to discover the best way to reach their customers.

US retail market share of toy sales

(Source: Klostert Trading)



IP owner Universal is hoping Jurassic World tears apart the summer blockbuster competition

Top US licenses through Feb 2015

(Source: The NPD Group)



1 Minecraft (Mojang)

2 Disney Frozen (Disney)

3 Star Wars (Disney)

4 Teenage Mutant Ninja Turtles (Nickelodeon)

5 Disney Princess (Disney)

6 Mickey and Friends (Disney)

7 Thomas and Friends (Mattel)

8 Disney—all other (Disney)

9 Doc McStuffins (Disney)

10 Spider-Man (Disney/Marvel/Sony)

"For Hot Topic, we do a lot of in-store programs where we pull together multi-category programs and bring them to the front of the store, so it's almost like a boutique around one of our brands," he says. "With mass retailers, it's figuring out what's the best way we can do a first-to-market program. We launched both our Adventure Time and Regular Show publishing programs at Walmart."

Toy giant Hasbro is in the interesting position of being both a Disney partner and competitor at the same time. It holds the master toy licenses for Disney-owned Marvel and Star Wars until 2020, and will be taking over the Disney Princess and Frozen doll licenses from Mattel in 2016. But it also has proprietary brands like Transformers and My Little Pony, whose consumer products sales helped to drive a 74% spike in revenues for the toyco's entertainment/licensing sector in Q1. To keep them rolling at retail, Hasbro continues to seek out and lock down licensees with design, development, marketing and retail expertise that can respond quickly to shifts in the marketplace. "This helps us to think differently and allows us to try new ideas or break into new categories while staying at the forefront of fashion and trends," says Simon Waters, GM and SVP of entertainment and licensing for Hasbro.

The year ahead

Frankly, there's still nothing more appealing than a good blockbuster movie property to retailers, which brings with it brand recognition, high consumer demand and a wealth of saleable products. The most recent blockbuster Frozen held momentum throughout 2014 to generate US\$531 million in revenue across 39 different categories last year. Potential heavy-hitters on deck this year include *Avengers: Age of Ultron* (already in theaters), *Jurassic World*, *Minions* and *Star Wars: The Force Awakens*.

"Big tent-poles are dominating the market," says Jay Foreman, president and CEO of The Bridge Direct. "Going into late 2015 and 2016, Star Wars is going to put pressure on all other boys brands, with the possible exception of Batman. Big events and all the related promotions around them are going to continue to drive demand and sales."

Perhaps related to the looming blockbuster deluge, Piper Jaffray's Wissink believes entertainment licensing will continue to expand its market share of overall retail toys sales in the US, as the number of products geared towards the convergence of content and play continues to increase. "Families today are looking for convenient solutions, and they're on the go, so they want their kids to be able to play with their favorite characters in a mobile setting," she says. "And because of that, you're going to see entertainment continue to rise, and there will be more investment in actual storyline, story development, longevity and sustainability over time."

LIMA's Brochstein says the licensed entertainment business is always shifting because it's a function of popular culture. He cites the emergence of YouTube stars—who largely didn't exist five to 10 years ago, but now have their own licensed lines—as a prime example. While he does see room for growth, it depends on how the overall economy is doing.



Minions now boasts 850 licensees worldwide

"A lot of entertainment licensed merchandise is 'want to have' not 'need to have,' so if the economy tightens, people are more concerned about their ability to live their day-to-day lives, and then entertainment takes a secondary place," he says. "But by the same token, when the economy is fine and people feel a little easier about their disposable income, then it's a great growth opportunity."

Despite the blockbusters, Foreman also sees entertainment licensing's success tied to larger trends in society. He doesn't think the population is growing fast enough for automatic growth, or to make up for age compression and the competition for mind space from mobile devices. But there is hope. "It's going to be up to content creators to keep making properties like Frozen and Minecraft to create demand, and companies like Cepia and Moose Toys to create toys like Zhu Zhu Pets and Shopkins to keep driving consumers to retail, whether it's big-box, small-box or online," he contends.

"Content is king, and the consumer is always open to exciting content and hopping on hot trends," Foreman adds. "It's harder than ever before to have a hit because of the plethora of content hitting the market terrestrially and digitally, but when you get one, it's bigger than ever because of social media—everyone finds out about a trend almost at once."

From a retail perspective, newmarketbuilders' Spieckerman says the biggest opportunities will be in content creation and distribution, and then marrying it with great products and experiences. She believes kids entertainment companies should see retailers not just as places that sell licensed products, but as media platforms that can generate exponential reach and awareness for their properties.

As for where the retail market for licensed entertainment is headed, she predicts growth because retailers are more open than ever before to partnering with licensors that create great content, tell great stories and can translate them into innovative products and retail experiences. "Many retailers now have highly developed private brand programs and teams backing them up. From a content, product and experience ecosystem perspective, kids entertainment companies are operating in a window of opportunity," she notes. [k](#)



LICENSING SHOW

Show stoppers

Get a sneak-peek at merch plans for some of the newest and brightest contenders in kids entertainment licensing headed to Las Vegas

BY GARY RUSAK

Who run the world? DC Super Hero Girls!

At long last, there is a superhero franchise exclusively for girls as Warner Bros. and DC Comics have teamed up to develop DC Super Hero Girls. The umbrella brand includes Wonder Woman, Supergirl and Batgirl, along with female super-villains like Poison Ivy. Officially launching this fall, the new brand will target girls six to 12. Mattel has signed on as master toy partner, and Lego is producing playsets to support an expected wave of video content that will include digital shorts, TV specials and direct-to-DVD products. Other leading categories, including apparel and accessories, are expected to roll out in 2016.

Saban puts Popples, Luna Petunia in spotlight

Saban Brands is reimagining iconic 1980s toy brand Popples. With a brand-new original series ready to bow on Netflix Kids across all regions this November, Saban is looking to capture the imaginations of the five- to eight-year-old demo. The series follows BPPs (Best Popple Pals) Bubbles, Sunny, Lulu, Izzy and Yikes through a number of hilarious hijinks. Toronto, Canada-based toyco Spin Master jumped on board from the outset as the master toy partner and will produce signature plush for the US market for a Christmas 2015 launch. From there, Saban is strategizing a global rollout with soon-to-be announced partners in apparel, publishing and digital categories.

Saban's co-venture with Cirque du Soleil Media, Luna Petunia, is still in its early stages with a proposed 52 x 11-minute animated preschool series in the works that hopes to capture the whimsy and spirit of the world-famous Montreal, Canada-based performing arts troupe. The first order of business for the partners will be securing a global master toy deal, which will serve as the anchor for the mass retail program. Secondary categories such as apparel, softlines and accessories will follow after the expected debut of the series, along with digital content and live entertainment components in 2016.



AwesomenessTV targets dog-loving kids with Jiff

DreamWorks Animation-owned AwesomenessTV is hoping to draw upon the strength of its digital power with a new program based on one of its YouTube channel stars, Jiff the Pomeranian. The property has already captured more than two million fans on Facebook, Instagram and other social platforms and has even made the scene on a bevy of red-carpet events in La La Land. A CP program is next, with AwesomenessTV Consumer Products considering a broad spectrum of categories for the tiny pooch, leading with toys, digital games, stationery, apparel (both human and canine), novelties, giftables and technology. Targeting kids, adults and pets, Awesomeness plans to roll out with softlines in the specialty and department store tiers of retail, then expand into mid-tier and mass. The program is expected to launch in North America in 2016 and expand globally from there. While still in its early stages, AwesomenessTV Consumer Products is seeking partners across all key categories globally.



SPE reveals plans for Ghostbusters 3

With a third instalment of the iconic Ghostbusters franchise hitting theaters July 2016, featuring an all-female cast led by Kristen Wiig and Melissa McCarthy, Sony Pictures Entertainment is hashing out a two-tiered approach to its consumer products program. The Ivan Reitman-directed *Ghostbusters 1* (1984) and *2* (1989) grossed more than US\$510 million worldwide at the box office, and in anticipation of another blockbuster, SPE is ramping up the existing classic Ghostbusters line while looking for new partners to join the Ghostbusters 3 mass-market program. Sony Pictures Entertainment SVP of global consumer products, Greg Economos, says the goal is to keep its slightly older male fan base happy with the classic line. The new movie, meanwhile, should propel the merchandise program to the next level by introducing Ghostbusters to a new generation of kids, tweens and teens. Notably, SPE is working to leverage the all-female lead cast and explore a number of girl-skewing categories for the first time. "We're trying to be more inclusive and really go after channels of distribution that we haven't gotten in the past," he adds.

Role-play items, toys and games featuring key props from the movie, such as vehicles, PKE meters and proton packs, will be the key drivers in the core traditional categories for the new range. On the fashion front, Economos also expects big things in the mid- to high-tier categories, based on the popularity of the franchise's iconic no-ghost logo.

Other key areas are digital and interactive, which provide ideal platforms to highlight the movie's unique characters through holistic game-play experiences, says Economos. Sony is also currently looking for partners for the movie's program in all categories, except toys. (It plans to announce its master toy partner in the coming weeks.)

As for timelines, publishing partner Scholastic already has Ghostbuster Classic product in stores and will be publishing five movie tie-in books this fall. A full-on movie-based program will hit all tiers of retail next summer, in advance of the movie's release date.

—With files from Patrick Callan

Ollie & Moon embark on world tour

French prodco Cottonwood Media is looking to build a diverse licensing program on the strength of *The Ollie & Moon Show*. The mixed-media 52 x 11-minute series for the three to six demo is based on a book series by writer and illustrator Diane Kredensor. It was also just picked up by Sprout in the US for broadcast. The titular characters are a couple of globetrotting felines who find adventure wherever they roam. With that in mind, Cottonwood plans to build a program with an international bent and is initially focusing on landing design-led publishing, activity book, stationery, back-to-school, novelty & gift, and games licensees.



DreamWorks intros Dinotrux, Kung Fu Panda 3

Premiering across all Netflix regions this summer, DreamWorks Animation's *Dinotrux* introduces a prehistoric world filled with half-dinosaurs, half-construction vehicle creatures and a new potential franchise for the studio. Characters for the high-concept animated series include Tyrannosaurus Trux and his friend Revvit. The action centers on the ongoing battle between an alliance of Dinotrux and Reptools against the bad guys—D-Strux. With a core target of boys four to eight, DWA considers toys (Mattel), apparel (AME), housewares (Franco Manufacturing) and accessories (TBA) as the driving (pun intended) categories for the mass-market program. Expect to see the first merchandise from current licensees start to hit US retail this fall, with a full rollout in all categories planned for spring 2016. DWA will be looking to find partners in secondary categories around the world in Las Vegas.

And building on its successful comedy franchise, DreamWorks Animation is readying the release of *Kung Fu Panda 3* for early January 2016. Jack Black's Po is back and will be joined by his long-lost father on a quest to find a secret panda paradise. With the previous two movies grossing a combined US\$1.2 billion at global box office, there is understandable anticipation in the licensing community for the next instalment. A comprehensive global program will hit all tiers of retail starting in mid-December, with a long list of licensees in tow, including Freeze (t-shirts), Zak (tabletop) and Northwest (throws). With a continuous pipeline of Kung Fu Panda content, including an animated series, DreamWorks is seeking long-term partners to continue to carve out retail space for the increasingly evergreen property.

Licensing agent Ink goes on Zafari

This new series targeting boys and girls five to 11 tells the story of a secret valley at the base of Mt. Kilimanjaro, where the animals are all born in the skins of other creatures—like lead character Zoomba, a baby elephant with zebra stripes. Featuring a bevy of pals, the 52 x 13-minute *Zafari* goes on many colorful adventures in vivid locales. Danish licensing agency Ink is repping the IP globally and plans to kickstart the program with a global publishing license that reflects the series' themes of inclusivity, friendship and compassion. Broadcasters already on-board include France Télévisions (France) and Spacetoon (MENA). Expect a complete CP push to follow the series' delivery mid-2016, led by softlines, accessories and toys.

New girl Transformer opens up licensing opps

The latest instalment of the iconic toy-based Transformers franchise rolled out on Cartoon Network this year. Created in-house by Hasbro Studios, brand-new series *Transformers: Robots in Disguise* focuses on Bumblebee as the leader of the Autobots as they seek to save the Earth from those nasty Decepticons. While there are more than 200 licensees already on board for Transformers—including Little Brown (publishing), Dynacraft (sporting goods), American Greetings (party goods), Disguise (costumes) and Crocs (footwear)—Hasbro is looking to widen its scope and leverage its first major female Transformer, Wingblade, in the CP realm. As part of the new series, Wingblade will be featured as an action figure, which will roll out to mass retail in 2016, and Hasbro plans to push Transformers further into the girls market with other supporting consumer products.



Nick Blazes a trail

Buoyed by the success of 20 half-hour eps that started airing last October, Nickelodeon has high hopes for a comprehensive licensing program based upon original preschool series *Blaze and the Monster Machines*. The STEM-centric cartoon follows monster truck Blaze and his eight-year-old driver AJ as they tackle everyday problems through the lens of science and math. Master toy partner Fisher-Price has already seeded a toy line, including die-cast vehicles, talking vehicles, plush and a Transforming Blaze Jet, at Toys 'R' Us. The US retail exclusive expires in August and wider distribution will then kick in. Moving forward, Nick is currently filling out a program that will include ride-ons, bikes, construction, arts & crafts, activities, novelty, apparel, home and FMCG products targeting mass-market, mid-tier and specialty retailers in the US.

Kate & Mim-Mim sets sights on US

FremantleMedia Kids & Family Entertainment is toting the Nerd Corps Entertainment (now DHX Media) series *Kate & Mim-Mim* to Vegas. The 52 x 11-minute animated preschool series explores the special friendship between spirited five-year-old Kate and her toy bunny Mim-Mim. Having debuted on pubcaster CBeebies last year, the series was the subject of a UK-centric consumer products launch this spring with its first DVD, app and magazine specials supported by an

Easter holiday shopping center character tour. DVD partner Universal will also roll out product this year in Germany. Digitally, Canadian developer Acronym has published an app, and Immediate Media has snapped up the magazine rights. With placement secured on Disney Junior in the US late last year, FremantleMedia is using Licensing Show to announce a master toy deal and additional publishing partners, and will also be looking to add more US partners in a number of categories including apparel, outdoor and puzzles.

Shopkins bagging more partners

Girl-targeted toy collectible Shopkins is coming off a banner year, with an estimated 17 million hits on its official YouTube channel and more than 70 million unit sales. Property owner Moose Toys' North American agent The Licensing Shop recently landed 16 new licensees for a total of 25 in Canada and the US, including Mighty Fine (fashion tops), The Bridge Direct (construction toys) and Jay Franco (bedding). In the UK, Bulldog Licensing has already amassed a robust program including master toy partner Flair, along with Spearmark (tableware), Topps (collectible and trading cards), VMC (accessories) and Aykroyds (nightwear), Autumn Publishing (Publishing) and Character World (Bedding). Bulldog is now looking to fill out the food, promotions and party goods categories. As for Europe, Canada's Nelvana Enterprises has just been appointed to rep the brand in EMEA, as well as distribute a new Shopkins animated series in production at Nelvana Studio.



Angry Birds flocks to silver screen

Set to finally catapult onto the big screen in May 2016, the movie version of the billion-dollar app *Angry Birds* is being produced by Rovio Entertainment, in association with Sony Pictures Entertainment, which is managing all film distribution and marketing. News of the all-star cast grabbed headlines late last year, with names such as Jason Sudeikis (*Horrible Bosses*), Danny McBride (*This is the End*), Maya Rudolph (*Bridesmaids*) and Peter Dinklage (*Game of Thrones*) attached. As expected, top-tier licensing partners have already signed on for the movie-based program. In the UK alone, key category partners include Aykroyds/TDP, Fashion UK, VMC Accessories, Spearmark, Character World, Roy Lowe & Sons and Grosvenor. Many additional

partners will be announced during Licensing Show. With more than 2.8 billion downloads, *Angry Birds* continues to reign as the most downloaded game of all time. A mere five years old, the brand claims 90% global brand awareness and will be looking to continue to leverage that popularity across all categories and retail tiers with specific movie tie-in products.

Super Wings takes flight

Super Wings is a new 52 x 11-minute CGI preschool series that follows the adventures of Jett, an airplane, who travels around the world delivering packages to children. On every delivery, Jett encounters new problems that he must solve with his friends, the Super Wings. Newly acquired by



Finding Dory, Zootopia top DCP's list

Perhaps one of the most anticipated sequels in animated film history, Disney/Pixar's *Finding Dory* will finally be ready to swim into theaters around the world on June 17, 2016. With *Finding Nemo* writer/director Andrew Stanton at the helm, the cast features Ellen DeGeneres returning in the title role, along with Albert Brooks as the sardonic, yet lovable Marlin. With a family-first message, the expectations are sky-high for the nautical adventure. Disney Consumer Products is treating the tent-pole release with a wide product assortment across all retail channels and price-points. First-in-class licensees already signed on include Jay Franco (bedding), Handcraft (underwear), Children's Apparel Network (apparel) and Global Design Concepts (furniture).

Disney Animation Studios' brand-new feature film *Zootopia*, meanwhile, is set for global release on March 4, 2016. The CGI comedy-adventure focuses on the mammal metropolis of Zootopia, a modern melting pot of animals. It follows the first bunny to join the police force, Officer Judy Hopps, and her wise-cracking fox partner, Nick Wilde. A broad-based program that will leverage the wholly new environment and characters is in the works at DCP. Targeting an April 2016 launch, partners already on board include Handcraft (underwear), AME (sleepwear), Bentex (playwear), PS Brands (socks), Fastforward (back-to-school) and Jay Franco (bedding).

Finally, there's Marvel's *Guardians of the Galaxy*. In the wake of the film's box-office blowout in 2014, DCP and Marvel have designed a tightly tailored licensing program, led by the collector and adult apparel categories, with a heavy emphasis on specialty and online retail tiers. However, a new *Guardians of the Galaxy* animated series, headed to Disney XD this year, means Marvel is expanding the program with a brand-new style guide that reflects the character design and plot of the series. By spring 2016, expect a new line of series-based products to hit mass retail featuring goods from Hasbro (toys), Funko (vinyl figures), Rubie's (costumes) and Bioworld (accessories). DCP and Marvel are looking to add to the growing list.



Rainbow follows Winx with Royal Academy

While Rainbow's Winx Club heads into its 11th year, the Loreto, Italy-based prodco and brand-management company is introducing newcomer Royal Academy in Las Vegas. The girls property revolves around a 26 x half-hour animated series that focuses on the adventures of Rose, who discovers she is the granddaughter of Cinderella and that she's been enrolled at Royal Academy—the exclusive school for fairytale characters and their descendants. In terms of licensing, Rainbow is finalizing a master toy deal for the program that will be led by fashion dolls for girls six to 10. It has also locked in publishing partner Fabbri Editori to produce a full range of formats. Toys are planned to roll out in fall 2016, followed by a full product range launch in spring/summer 2017. In the meantime, Rainbow is looking to secure partners globally in secondary categories like apparel, accessories and home décor.

US broadcaster Sprout, the series is co-produced by South Korea's FunnyFlux and EBS, Chinese-based studio QianQi and Little Airplane Productions in the US. Current non-US territories with broadcast deals include South Korea (EBS, Tooniverse), France (Piwi+) and Finland (YLE). On the licensing front, Alpha Animation and Auldey Toys are producing the first range of toys, slated to land at Toys 'R' Us locations in the US in October before a wider rollout next year. Licensor CJ E&M is currently looking to sign publishing, apparel, back-to-school, accessories, stationery and food & beverage licensees in the US. It is also pursuing licensing agents in territories across Europe. China's Alpha Animation is handling licensing in Asian and Middle Eastern territories.

Talking Tom takes TV turn

One of the first IPs that successfully crossed over from the app world to the licensing universe, Talking Tom will once again be the primary focus for owner Outfit7. Armed with *Talking Tom and Friends*, a new animated series that debuted this spring on its YouTube Channel, a slate of 15 family-friendly apps, and a production deal for a full-length feature, Outfit7 is looking to gain more ground internationally. With a roster that includes more than 40

partners in regions like Europe and CEE already, the licensor will be concentrating on rounding out apparel, publishing, accessories and food & beverage categories on a global scale.

Spinning new preschool with Twirlywoos

Canada's DHX Brands is debuting slapstick-happy preschool property Twirlywoos in Las Vegas this year. The DHX Media/Ragdoll 50 x 11-minute series of the same name is currently airing on UK pubcaster CBeebies and follows four colorful birdlike characters that see the world through laughing eyes. DHX is looking to expand Twirlywoos internationally beyond its UK-centric program that features master toy partner Golden Bear, Ravensburger (puzzles and games), GB Eye (posters), Fashion UK (outerwear), Rainbow Productions (character costumes) and DreamTex (bedding) among others. To start, DHX Brands has just inked a global publishing deal with HarperCollins and will be targeting similar deals in apparel, accessories, partyware, ancillary toys, bedding, and back-to-school to augment the property's growing presence.

Llama Llama targets expansion

Beverly Hills, California-based Genius Brands International will be leading the worldwide expansion of the Penguin Young Readers and author/illustrator Anna Dewdney's *New York Times* bestselling preschool book franchise Llama Llama. With book sales heading towards the 10 million mark, GBI believes there will be an appetite for a wide-ranging program that mines the signature style and lovable characters of the book series. With an eye towards a 2016 launch at retail, GBI is on the hunt for toys, games, apparel, accessories, electronics, bedding and healthy snack licensees. Kids Preferred is already on-board to produce Llama Llama plush, puppets and jack-in-the-box products for all North American retail channels next year.

Televisa bets on Cleo Telerin

Based on 50-year-old "Familia Telerin," a traditional animated bedtime song that was broadcast every day in Spain and Mexico for decades, comes new preschool property Cleo Telerin. Already entrenched in Spain and Mexico, Familia's milestone has provided Spain's Anima Kitchent and owner the Moro Family with the perfect chance to launch a spin-off that revolves around the dreams of seven-year old girl Cleo. The initial plan is to produce and release new YouTube content, along with broadcast partners TVE (Spain) and Televisa (Mexico). The second phase will see the production of a brand-new 52 x seven-minute animated series with a yet-to-be named co-pro partner. Televisa Consumer Products is handling licensing in Mexico and is currently seeking toy, back-to-school and publishing partners for this year. Anima Kitchent is managing in Spain, and will follow a similar strategy. Heading into Vegas, securing a master toy partner is a top priority, as is finding licensing agents to represent the property in other Spanish-speaking territories. 

A fun category like toys tends to collect some insane entrepreneurs, so you really want to vet who you are working with.

It's like an electronic hearth for the family.

We argue a lot, but ultimately the arguing leads to the best decisions.

If they love a property, would kids rather have the toy,

download the game,

or not care enough

because they are

too busy taking

selfies? The

drone thing

scares me.

● **Jeremy Padawer**, co-founder of Wicked Cool Toys, gives some sage advice

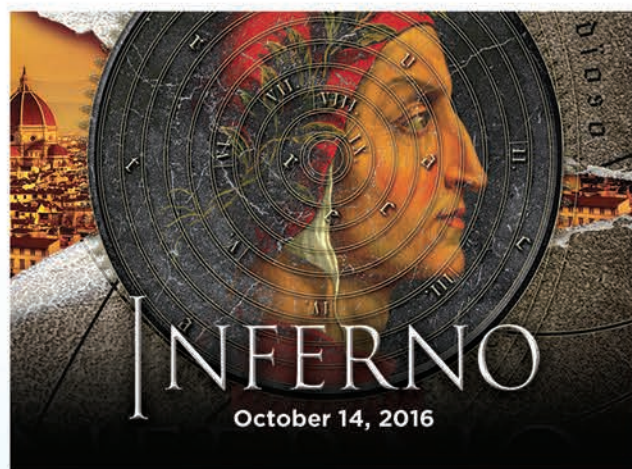
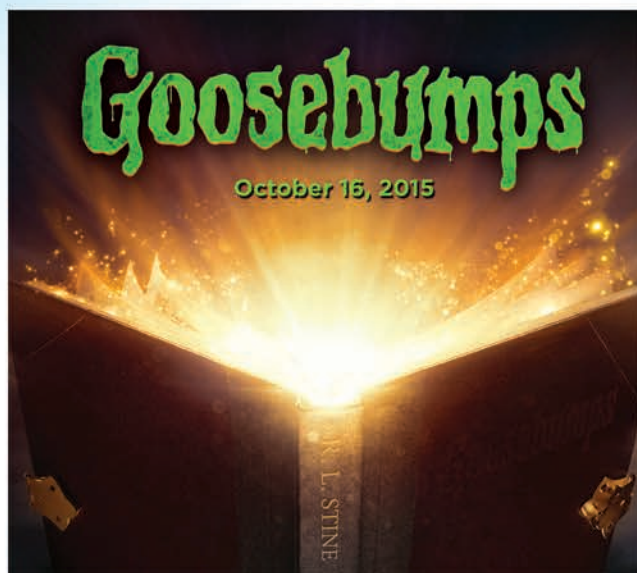
● **Colin Bohm** of Corus Entertainment on the success of YTV's seasonal programming stunts

● Zuru Toys' **Nick Mowbray** describes the dynamics of his family-owned business

● The Bridge Direct CEO **Jay Foreman** wonders if today's kids are too wrapped up in their mobile devices to care about traditional toys

● **Leigh Anne Brodsky** from Iconix Entertainment expresses concern about Amazon testing delivery drones

LIGHTING UP SCREENS ALL OVER THE WORLD



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